

AMERICAN NEWS

Mexico cuts tariffs in drive to peg prices

By David Gardner in Mexico City
MEXICO has carried out swinging cuts on tariffs, bringing them down to a weighted average of just under 11 per cent which exceeds the 12 per cent goal it had set for this year...

INF treaty clear for ratification as Reagan flies East

BY NANCY DUNNE IN WASHINGTON
PRESIDENT Ronald Reagan, the old cold war warrior, took off for Helsinki yesterday on the first leg of his journey to Moscow as the chief Senate opponent of the INF treaty conceded defeat...



A wave from the President as he and Mrs Reagan leave the White House for Finland yesterday

Quiet Finnish welcome awaits President

BY OLLI VIRTANEN IN HELSINKI
GEOGRAPHY determined Helsinki as President Reagan's stopover today on his way to the Moscow summit. But the President could not have made a better choice...

Democracy on trial in Mexico

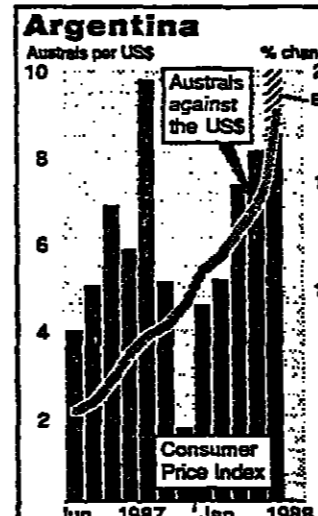
WITH SIX WEEKS to go before Mexico's most important presidential election for nearly half a century, the numbers game has started. Two of Mexico's few independent publications have produced studies claiming that the electoral register has been padded with fictitious voters...

Rumours start run on Argentine currency

BY TIM COONE IN BUENOS AIRES
HEAVY speculation and uncertainty over economic policy have led to a battering for the Argentine currency, the austral, this week...

Contra split hinders talks

FURTHER negotiations aimed at achieving a lasting ceasefire were due to begin yesterday in Nicaragua between the Sandinista Government and leaders of the US-backed Contra rebels...



'Virus' charge

By Louise Kehoe
A TEXAS COMPUTER programmer has been charged with computer sabotage for allegedly destroying thousands of records held in the computers of USFA and IFA Co, a Fort Worth investment firm...

Japanese drag feet on liquor tax reform

BY IAN RODGER IN TOKYO
THE Japanese Government has made only a partial decision on reforming its liquor taxes as demanded by a General Agreement on Tariffs and Trade disputes panel last year. It has proposed a tax increase on local spirits but delayed its recommendation on how much whisky taxes should be cut...

SGS wins Japan aid deal with Kenya

By Peter Montagnon, World Trade Editor
SOCIETE Generale de Surveillance (SGS), the Swiss-based private inspection company, has been appointed by the Government of Kenya to check goods bought with a Y3.5bn (£15m) untied aid grant from Japan...

WORLD TRADE NEWS

Reagan set for Senate trade bill battle

BY NANCY DUNNE IN WASHINGTON
PRESIDENT Ronald Reagan, after vetoing the US Trade Bill, yesterday left for next week's Moscow summit, leaving behind what he would sign a second trade bill which omitted two of the measures he objected to in the original legislation...

World trade would have suffered, says De Clercq

PRESIDENT Reagan's veto of the US Trade Bill yesterday won applause from a relieved European Community, William Dawkins reports from Brussels. Mr Willy De Clercq, the European Commissioner for external trade, said the entire international trade system would have suffered had the bill been adopted...

UK-Australia arms link

BRITAIN and Australia plan to step up arms co-operation under a framework agreement covering opportunities for joint development, David White, Defence Correspondent, writes. The memorandum of understanding signed yesterday by Mr George Younger, UK Defence Secretary, and his Australian counterpart, Mr Kim Beazley, provides for an exchange of information aimed at identifying areas for industrial collaboration or common procurement...

Britain boosts export cover

By Peter Montagnon
SHORT-TERM exports insured by Britain's Export Credits Guarantee Department rose 4 per cent to just over £11bn in the year to the end of March, Mr Alan Clark, Trade Minister, said yesterday. This is the first time since 1984 that ECGD has been able to record an increase in its short-term export insurance volume...

Japan fears future US moves

BY IAN RODGER IN TOKYO
THE Japanese Government has welcomed President Ronald Reagan's veto of the omnibus trade bill, but remains concerned about future US trade proposals. Japanese trade officials said they hoped the Uruguay Round of multilateral trade negotiations would not be slowed as a result of the veto...

Indonesia plant for Japan group

MITSUBISHI Belling, Japan's largest maker of bells and traction devices for industrial purposes, is to set up a subsidiary in Indonesia with five local companies to produce and market conveyor belts, AP-DB reports from Tokyo. The new company, PT Mitsubishi Belling (Indonesia), will have an initial capital infusion of Y370bn and production is due to start by June 1988...

Row breaks out over US-Canada accord

CANADA has unveiled details of the proposed Canada-US free trade agreement, sparking a bitter political row certain to spill over into a general election, Reuters reports from Ottawa. The pact would eliminate remaining tariff and non-tariff barriers between the two countries over a 10-year period and send trade disputes to a bi-national panel for binding rulings. The Progressive Conservative Government's long-awaited legislation authorising the deal, released in the House of Commons, was greeted on Tuesday with immediate opposition delay-

Row breaks out over US-Canada accord

A general election is widely expected this autumn or next spring and the Prime Minister has promised to campaign on the merits of the trade deal. Critics have argued that the cost of free trade will be the erosion of Canadian sovereignty and the selling-off of Canada's natural resources. The agreement has the support of eight of the 10 provinces. But Ontario's Premier David Peterson has promised to hold up support from Canada's richest province because of the impact the deal will have on the local wine industry...

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First Class.

British Airways pre-tax profits up by 41% to a record £228m, for the year to 31 March 1988.

Group turnover increased 15% to £3756m. Earnings were 21 pence per share.
Final dividend of 4.65 pence per share payable 31st July 1988.

Acquired British Caledonian Airways.

Carried over 23 million passengers and 360,000 tonnes of cargo.

Introduced new Club Europe and Club World brands.

Established a marketing partnership with United Airlines, the largest single airline in the U.S.A.

Welcomed the Airbus A320 to our fleet.

Ordered new Rolls-Royce powered Boeing 767s.

Moved into the new Gatwick North Terminal.

BRITISH AIRWAYS

The world's favourite airline.

UK NEWS

Witnesses forced to swear oath in Shell inquiry

BY MAX WILKINSON, RESOURCES EDITOR

SENIOR executives from Shell Oil, the refining and marketing company, were ordered by MPs to take the oath yesterday when giving evidence about alleged malpractices in relation to petrol service stations.

Europe urged to scrap all steel quotas from June

BY NICK GARNETT

ALL PRODUCTION quotas on steel in the European Community should be scrapped from the end of June, the British Iron and Steel Consumers' Council says in a letter to Mr Kenneth Clarke, the Trade and Industry Minister.

Why would an oil company be proud of its chequered past?

Mobil's success in motorsport ranges from Formula 1 to grassroots, including saloon cars, rallying, truck racing and hillclimb.

Mobil success in sponsorship

Warning to building societies on conversion

By David Barchard

BUILDING SOCIETIES were warned yesterday that permission to convert into limited companies might be refused under some circumstances.

Mr Michael Bridgeman, head of the Building Societies Commission, the government body which regulates the industry, said there were ways for societies to raise additional capital without becoming companies.

He said a decision by a building society to turn into a company had to be based on the need to stay competitive and to serve members' interests.

Mr Bridgeman said building societies planning to convert into companies must put full details of any disadvantages as well as advantages to their members, otherwise the commission could refuse to confirm a decision taken by members.

Tax regimes compared

BY SIMON HOLBERTON

THE GOVERNMENT would have raised £20bn more in personal income taxes this year if it operated the taxation regime it inherited from the Labour government in 1979.

NATIONAL INSTITUTE FORECASTS

Slower growth ahead for world economies

BY PATRICK DANIEL

THE SEVEN major industrial economies are likely to see continued strong output growth this year, but may suffer a marked slowdown in 1989, the National Institute says.

Despite the current strong showing of the US economy, the Institute gives a warning that this performance cannot be expected to last for much longer.

The trade deficit seems very reluctant to move, and we have to take the persistent strength of US imports into account, it says.

As a key consequence, it forecasts that the US dollar will fall a further 11 per cent to Y110 by the second quarter of 1989 - in response to a sequence of worse-than-anticipated trade figures.

Under an alternative scenario, where the exchange rate remains firm and interest rates high in 1989, inflation is 3.5 per cent, marginally lower than its forecast out-turn for this year.

Britain faces rapid deterioration in balance of payments

BY SIMON HOLBERTON

BRITAIN'S economy will grow much faster than predicted earlier this year, says the National Institute, but it says the growth will be accompanied by a more rapid deterioration in the balance of payments.

GOVERNMENT WILL FORCE COMPANIES TO END RELIGIOUS DISCRIMINATION

Plan to tackle Ulster job prejudice

BY OUR BELFAST CORRESPONDENT

THE GOVERNMENT yesterday published radical plans aimed at ending job discrimination on religious grounds in Northern Ireland.

Its long-awaited White Paper (policy document) on Fair Employment in Ulster comprises legislative proposals with which companies will be forced to comply or face hefty penalties.

The failure of public and private sector employers to monitor the religious composition of workforces and to make annual returns to a new Fair Employment Commission (FEC) is to become a criminal offence, punishable by a fine of up to £2,000.

Employers found in breach of their statutory obligations will be ineligible for government contracts and a wide range of government grants.

The tribunal will adjudicate on individual cases of alleged discrimination and a commission will have the power to assist individuals financially to pursue their cases.

The white paper says cases of religious discrimination will be handled in a similar way to cases of sex discrimination.

SUMMARY OF THE FORECAST

Table with columns: Real GDP, Manufacturing output, Unemployment, Retail price index, Current balance, etc. Rows for Main cases (1986-1989) and Fixed exchange-rate variant (1988-1989).

fall 11 per cent against the D-Mark and 6 per cent against most other currencies except the Canadian dollar.

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Doubts over success of EMS

BY PATRICK DANIEL

THE EUROPEAN Monetary System has reduced exchange-rate volatility among member currencies, but the success of the wider goal of macroeconomic policy co-ordination remains questionable.

Although inflation rate differentials are now sharply lower, it is difficult to attribute this to the EMS because lower inflation is not a solely European phenomenon.

Assumptions on current account deficits queried

By Ralph Atkins

FINANCIAL MARKETS should not necessarily expect exchange rates to move so as to eliminate countries' trade deficits, an article in National Institute review says.

Mr Gavin Davies, chief British economist at Goldman Sachs, says the assumption that a current account deficit will last only a short time is "highly questionable."

Tax regimes compared

BY SIMON HOLBERTON

THE GOVERNMENT would have raised £20bn more in personal income taxes this year if it operated the taxation regime it inherited from the Labour government in 1979.

UK ECONOMIC INDICATORS

ECONOMIC ACTIVITY-Indices of industrial production, manufacturing output (1980=100), engineering orders (1980=100); retail sales volume (1987=100); registered unemployment (excluding actual leavers) and welfare vacancies (2000s). All seasonally adjusted.

Table with columns: Index, 1986, 1987, 1988. Rows for Industrial production, Manufacturing output, Engineering orders, Retail sales volume, Registered unemployment, Welfare vacancies.

OUTPUT BY MARKET SECTOR

OUTPUT BY MARKET SECTOR: consumer goods, investment goods, intermediate goods, manufacturing and retail, engineering output, metal manufacturing, textiles, leather and clothing (1980=100); housing starts (2000s, monthly average).

Table with columns: Index, 1986, 1987, 1988. Rows for Consumer goods, Investment goods, Intermediate goods, Manufacturing and retail, Engineering output, Metal manufacturing, Textiles, Leather and clothing, Housing starts.

INTERNATIONAL TRADE-Indices of export and import volumes (1980=100); visible current balance (\$m); terms of trade (1980=100); official reserves.

Table with columns: Index, 1986, 1987, 1988. Rows for Exports volume, Imports volume, Visible balance, Current balance, Official reserves, Terms of trade, Reserve assets.

FINANCIAL-Money supply M0, M1 and M2 (three months' growth at annual rate); bank sterling lending to private sector; building societies' net inflow; consumer credit; all seasonally adjusted. Changing bank base rate (see page 2).

Table with columns: % change, 1986, 1987, 1988. Rows for M0, M1, M2, Bank sterling lending, Building societies' net inflow, Consumer credit.

INFLATION-Indices of earnings (Jan 1980=100); basic materials and basic wholesale prices of manufactured products (1980=100); retail prices and food prices (1987=100); British commodity index (Sept 1991=100); Order weighted value of sterling (1975=100)

Table with columns: Index, 1986, 1987, 1988. Rows for Earnings, Basic materials, Basic wholesale prices, Retail prices, Food prices, British commodity index, Order weighted value of sterling.

GRANVILLE SPONSORED SECURITIES. Table listing various securities with columns for High/Low, Company, Price, Change, Div, Yield, etc.

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Defence ministry 'held to ransom over spare parts'

BY DAVID WHITE, DEFENCE CORRESPONDENT

A SMALL but influential group of top defence companies is gang-ing up against the Ministry of Defence over its policy for preventing overcharging for spare parts, Mr Peter Levene, the ministry's procurement chief, charged yesterday.

The companies were well known and although few in number represented "an enormous volume of business," he told the House of Commons public accounts committee.

Spare parts account for an annual bill of more than £2bn, or about a quarter of Britain's total arms-buying budget.

The suppliers appeared to have agreed among themselves not to accept a measure introduced late last year and designed to ensure realistic pricing, Mr Levene said.

"I am afraid that to some extent we may be held to ransom," he added, pointing out that these contractors were sometimes the only source of supply.

In spite of repeated pressure from members of the committee, he refused to name the companies. "We are working hard to make these companies see the error of their ways," he said.

The price-control measure involves a disarmingly simple labelling principle already applied in the US, Mr Levene said. Assemblies had been made possible by the fact that those ordering parts rarely saw them and those using them did not know what had been paid. The new policy seeks to make it a contractual condition that companies state on every box of spares the unit price paid.

Although industry has expressed worries about how this would affect the confidentiality of their business, Mr Levene said, the great majority of contractors



Peter Levene disarmingly simple price-control measures

had accepted. He described the new policy as "a perfectly reasonable request to contractors who are getting very substantial business."

Questioned on figures from the National Audit Office estimating that defence suppliers on certain non-competitive contracts made excess profits of £100m in the three years from 1982 to 1984, Mr Levene argued that this was a "relatively small proportion" of the £2bn-a-year arms procurement business.

It had been accepted that a third of the excess in comparison to target profits had been obtained through efficiency gains, and the companies were entitled to the benefits, he said. The remaining unexplained £68m represented about a 1 per cent deviation on the £2.6bn total of "disk" business - in which prices are set at the outset - during the three-year period.

TUC backs training scheme for jobless

By Charles Leadbeater

MR NORMAN FOWLER, Employment Secretary, yesterday welcomed a decision by the Trades Union Congress general council to approve conditionally union involvement in the Government's £1.5bn training programme for the long-term unemployed. The programme will be launched on September 5.

Mr Bill Jordan, the AEU engineering union's president, said after yesterday's meeting: "This is an historic day. The unions have bargained with the Government and won something."

The decision to give the programme conditional support, followed concessions Mr Fowler made on Monday, which included extra resources for more intensive training, guaranteed bonuses for trainees, and financial guarantees for training providers in the programme's first year.

The TUC move will be a considerable relief to the Government.

Mr Norman Willis, TUC general secretary, said the unions still had considerable doubts over the programme.

PRIME MINISTER REJECTS CHARGES OF GREED IN BRITISH SOCIETY

Thatcher steps up moral campaign

BY CHARLES HODGSON

MRS MARGARET THATCHER yesterday stepped up her campaign to assert the moral supremacy of her government, firmly rejecting charges that Britain was a "greedy" society and stressing the importance of individual self-reliance.

In a rousing speech to the annual Conservative Women's conference in London, she continued the theme of her controversial address on politics and Christianity at last weekend's Church of Scotland General Assembly in Edinburgh.

She insisted that "Conservative values of self reliance, personal responsibility, good neighbourliness and generosity towards others" were the traditional values of British life.

Mrs Thatcher was speaking shortly after the Church of Scotland assembly voted not to invite her next year to sit as an observer on two committees dealing with social issues. Leading churchmen had attempted to prevent the Prime Minister speaking at the weekend, arguing that she was using the occasion for political purposes.

Mrs Thatcher said yesterday that the Government's economic policies had given people a stan-

dard of living "undreamed of" a generation ago. She derided Labour's "desperate" attempts to brand Britain a "greedy" society, arguing that "self reliance is the first step towards helping others" and quoting John Wesley's dictum: "Gain all you can, save all you can, give all you can."

As people became wealthier, their generosity was greater than ever, Mrs Thatcher said; people now donated twice as much to charities after inflation than they did in 1979.

"This generosity is in addition to the largest ever expenditure of taxpayers' money on social secu-

rity" which now accounted for one third of all public expenditure.

Spending such large sums involved two important principles - that it was wrong to load society with public burdens without ensuring the wealth to sustain them and that it was self-defeating to have state provision that undermined individual self-reliance.

The recent reforms of the social security system had been designed to prevent government supplanting personal responsibility, she said. Tax cuts had helped rekindle the spirit of enterprise.

THE VENTURE capital industry, which provides equity finance to unlisted companies, had made a very considerable contribution to the British economy, Mr Robin Leigh-Pemberton, Governor of the Bank of England, said last night.

Although the pool of venture capital finance available in Europe was only half the size of that in the US, there was likely to be a surge of activity as 1992 approached and the advantages of a single market similar in size to that of the US became apparent.

Mr Leigh-Pemberton was speaking at a dinner to mark the start of a two-day symposium on the internationalisation of venture capital organised by the European Venture Capital Association and the Financial Times.

In Britain, he said, venture capitalists were closely associated with the remarkable growth of the number of small firms. At the start of the 1980s companies employing fewer than 200 people accounted for 1.25m employees. By 1987 this number had risen to 6m employees with 500 companies being set up each week.

Venture capital was a highly specialised form of finance involving risky and essentially illiquid investments.

Labour Party to revise defence strategy

BY MICHAEL CASSELL, POLITICAL CORRESPONDENT

THE LABOUR PARTY is to begin work at once on a revised, non-nuclear defence strategy, following yesterday's overwhelming backing from the leadership for a series of outline policy documents intended to form the basis for its next election manifesto.

Approval by the party's national executive committee (NEC) makes way for the second, and potentially much more difficult, stage of Labour's policy review. It was started last year by Mr Neil Kinnock, the Labour leader, after his party's third successive election defeat.

The party leadership has deliberately delayed embarking on a review of defence policy, an issue which was considered to have cost Labour many votes.

The policy statement dealing with defence merely acknowledges "fast-moving developments" in world events following the US-Soviet summit.

After the five-hour session, Mr Kinnock re-endorsed his belief in a non-nuclear defence policy. He stressed that the recently agreed reduction in intermediate nuclear forces had proved how quickly the basis for decisions on defence

was changing.

The minority of left-wing NEC members, some of whom suspect the leadership wants to abandon its unilateral, non-nuclear defence strategy, expressed their concern at the lack of progress on the defence issue.

An attempt by Mr Ken Livingstone, left-wing Labour MP, to commit the leadership to a reduction in arms spending - against existing Labour policy - was defeated.

The NEC did, however, accept his call for the party to work towards the mutual dissolution of

Nato and the Warsaw Pact, a move which Mr Kinnock's supporters claimed permanently committed Labour to Nato as long as it existed.

The seven key documents, which set out broad guidelines for Labour policy on a range of economic, social and international issues, are expected to be endorsed by the party conference in the autumn.

Included in the policy papers are proposals for an overhaul of the tax and benefits system, designed to introduce a fairer distribution of income and wealth

Government agency to go commercial

BY PAUL CHEESERIGHT, PROPERTY CORRESPONDENT

THE Property Services Agency, which administers property owned by the Government, is to become a commercial organisation from April 1993 under plans announced yesterday.

The PSA would be free of financial dependence on an annual vote from Parliament and would become independent, meeting so far unspecified financial targets set by the Government and producing commercial accounts. It would be set up as a trading fund.

Full privatisation has in effect been ruled out until the late 1990s. A PSA official said the agency would have to establish itself as a trading fund before it could be floated.

Mr Nicholas Ridley, Environment Secretary, announced the Government's latest step in the devolution of Civil Service management in the House of Commons yesterday.

The PSA, which employs 24,000 people, has been responsible for meeting the accommodation and land needs of government departments.

The PSA has been charged with incompetence in official and parliamentary reports. However, it is not clear from Mr Ridley's statement how commercial and competitive the PSA will be.

"No decisions, for example, have been taken on whether the PSA's

chief executive would be free to hire and fire or whether the pay structure would be freed from that of the Civil Service.

The Civil Service unions have not been consulted about the Government's intentions for the PSA. The Council of Civil Service Unions said the Government was "putting thousands of jobs at risk" and was "placing political dogma before efficiency and practicality."

Changes to the PSA affect the whole of the Civil Service. Departments will become responsible for managing their own property affairs. On October 1 the MoD will join other departments in being free to select the PSA or a private sector company to undertake building and maintenance work.

Following the recommendations of a report on the PSA, the agency will be split into three businesses by April 1990.

They will cover project services, estate services and management of buildings used in common by the Civil Service. Where buildings are used exclusively by a department, they will become the responsibility of that department.

"These changes are designed to expose the PSA to outside competition as rapidly as possible and to equip the PSA to compete effectively," Mr Ridley said.

House prices increasingly unstable, says Moody's

BY STEPHEN FIDLER, EUROMARKETS CORRESPONDENT

A PICTURE of growing instability in British house prices and rising numbers of defaults on home mortgages was painted in a report published yesterday by Moody's Investors Service, the respected US credit rating agency.

The agency says that growing owner occupation in Britain "means that financially less able homebuyers are entering the mortgage market at a time when home prices are rising at double digit rates."

First-time buyers are stretching budgets to afford their rising mortgage payments, and buyers require less and less of their own equity to purchase a home. This has resulted in a growth in mortgage arrears and default rates since the late 1970s, a trend which Moody's says it expects to continue in the future and which will be intensified by the growing competition among mortgage lenders.

House mortgages in repossession or in arrears of more than six months rose from about 10,000 in 1979 to 75,000 last year, the agency says.

However, it says that losses suffered by mortgage lenders have so far been low because of the rapid rise in house prices. "Moody's believes, however, that home prices are becoming increasingly unstable," the report warns.

Increased mortgage demand, and rising personal incomes have contributed to price rises, but speculative house purchases have added to house price instability.

"In a recessionary climate," says the report, "home prices may stagnate or even decline, exposing lenders to substantially higher levels of default rates and subsequent losses than have been experienced in the past."

The report is on the agency's attitude to the new market in mortgage-backed securities, which in effect allows investors, rather than building societies or banks, directly to finance home lending. Ironically, the agency says there is no reason why such securities could not be granted top credit ratings, provided they are structured to protect investors.

"I enjoyed your music programs very much. Could you send me a copy?"

This is an authentic passenger statement.



Have your
F.T. hand
delivered . . .

Freight Rover boost
FREIGHT ROVER, the van manufacturer, subsidiary of DAF of the Netherlands and formerly part of Rover Group, is increasing output by more than 20 per cent for the rest of the year. The company wants to raise annual capacity later this year to 24,000 units.

Lufthansa

Cadbury Schweppes MANAGEMENT PROVEN IN THE MARKET PLACE. Cadbury Schweppes MANAGEMENT PROVEN IN THE MARKET PLACE. Cadbury Schweppes MANAGEMENT PROVEN IN THE MARKET PLACE. Cadbury Schweppes MANAGEMENT PROVEN IN THE MARKET PLACE. Cadbury Schweppes



Cadbury Schweppes increased their European soft drinks profits by 59%. They started by helping the market go dry.



That's dry as opposed to sweet; light and sophisticated as opposed to fizzy. In short, 'adult' soft drinks.

The reasons for this market shift are all wrapped up in the current emphasis on healthy living: cutting down on alcohol, cutting down on sugar etc. (but, for a soft drinks company with its top screwed on, no reason for cutting down on profits). Cadbury Schweppes simply repositioned existing brands that matched changing tastes and introduced a totally new dry range.

Uncommon Marketing.

The Common Market is becoming a reality. 1992 will herald the arrival of a formidable market of over 320 million thirsty consumers. We have prepared for that opportunity with a strategy that treats Europe as one entity but still allows us to recognise and cater for individual local needs.

Two highly successful examples of this strategy, developed by our local management and franchised bottlers, are Schweppes Tonic Water and Canada Dry. These classic old mixers are now seen as classic new straight drinks in many parts of Europe. In fact the Spanish market now consumes more Tonic than the British.

New product development has also been important. Sophisticated palates in France and Italy were specially catered for by the introduction of two subtly different, dry ranges. Ranges that have become so de rigueur, that our market share has increased significantly.

Uncommon Profits.

Increased manufacturing efficiency has freed funds for higher marketing investment. As a result, as tastes have grown up in continental Europe, so have beverages profits. Last year, through marketing efforts and the acquisition of Canada Dry, they exceeded £31m, a 59% increase on the previous year. And with the preparation complete and ready for 1992, the taste can only get sweeter (unlike our products).

But this isn't just a European success story. Indeed it might be called an international best seller. In the words of Chief Executive Dominic Cadbury:

"Global brands require strong local management and this combination grew our earnings per share by 33% last year".

Cadbury Schweppes

MANAGEMENT PROVEN IN THE MARKET PLACE

Cadbury Schweppes MANAGEMENT PROVEN IN THE MARKET PLACE. Cadbury Schweppes MANAGEMENT PROVEN IN THE MARKET PLACE. Cadbury Schweppes MANAGEMENT PROVEN IN THE MARKET PLACE. Cadbury Schweppes MANAGEMENT PROVEN IN THE MARKET PLACE. Cadbury Schweppes

MANAGEMENT: Marketing and Advertising

Investor relations

Why BET courted its shareholders

The UK industrial services group feels that it is as important to market itself to existing and potential investors as to its customers. Philip Rawstone reports

"HOW MANY OF us would even consider sending an untrained salesman to see grocery trade buyers whom he'd never met, with a sample of a detergent whose market had never been researched, in packaging designed by an accountant, and with no prior advertising, no sales brochures, and no point of sales display?" But that is exactly the way in which many UK companies approach their shareholders and potential investors, says Neil Ryder, corporate communications director of BET, the UK industrial services group.

"Many of the companies are highly skilled at marketing their products, yet they apply none of the accepted marketing principles to their shares," he says. It often takes the threat of a takeover before many companies start to take a critical look at their relationship with investors or even at their share registers.

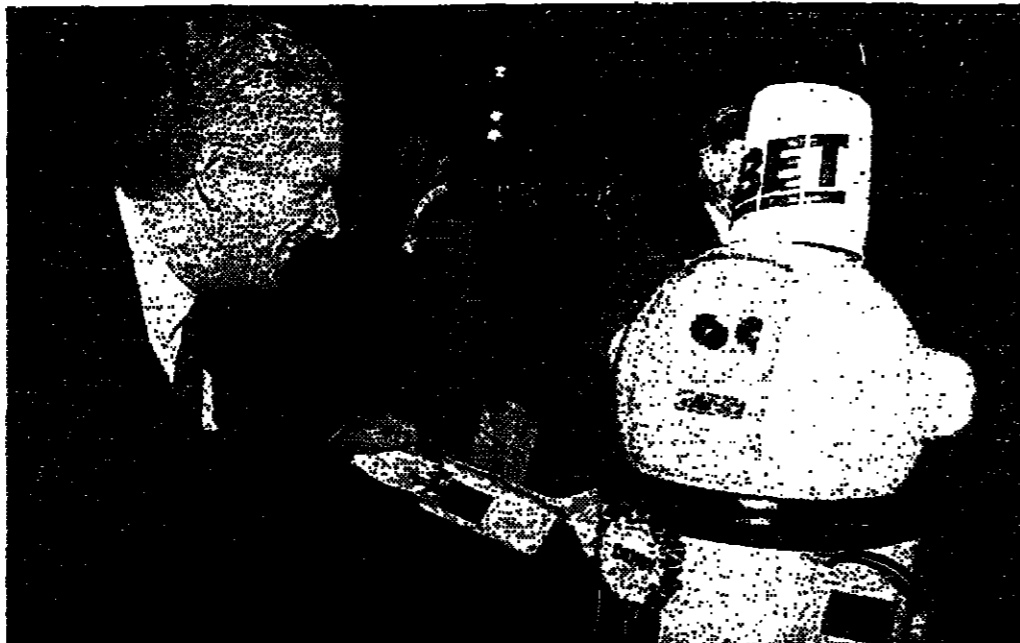
Yet BET's own experience in this field, he believes, illustrates its vital importance. In late 1982, BET had a change of top management and embarked on a radical restructuring to turn itself from what was essentially an investment trust into an international market leader in industrial support services.

Under chief executive Nicholas Wills, and the then chairman, Sir Hugh Dundas, the group decided to buy out all the minority interests in its subsidiaries, and then sell off those which had poor growth prospects, little chance of achieving strong market positions, or were outside the core support services.

The core business, it was decided, would be strengthened at the same time by acquisitions; and dependence on unstable markets, such as Africa, would be reduced, and geographic priority given to Europe and the US.

The strategy has been relentlessly pursued. Since 1983, BET has sold about 40 companies and bought 150. It has sold such diverse interests as its stakes in Wembley Stadium and in North Sea oil, such varied businesses as tv rentals, flight simulators, communications equipment, and South African bus services. Its Argus publishing business is now on offer.

It has bought into industrial services such as security, scaffolding, plant hire, laundries,



Nicholas Wills, chief executive, with a "private investor" at one of the regional "BET experience" gatherings where shareholders could get together with top managers

contract cleaning, joinery and windows, and freight transport. In the past five years, the market capitalisation of the group has risen from £240m to £1.7bn.

As BET set out along this road, says Ryder, it was recognised that the group would need a high degree of understanding and support from its employees, shareholders and potential investors.

"So how did we get it? Well, we started off, as in any marketing plan, by defining our objectives, our product and our market," Ryder recalls.

"The short term need was to keep the share price up while £300m worth of new shares were issued to buy out minorities...but to keep the plans obscure enough to avoid the City anticipating the main moves."

"Longer term, we needed to be able to retain support while making acquisitions to strengthen the core businesses. But again we could not disclose all our plans or the target companies would become much more expensive to acquire."

"In the event, only three institutions predicted BET's course accurately enough to turn up on the share registers of more than half of its publicly-owned targets. "They love us," says Ryder, "because they made a fortune."

What of the product - BET's shares? Surveys of investors' criteria for choosing shares usually put management quality, and comparative profit and earnings record high on the list. "Our management was unknown," says Ryder. "Our five year profit and earnings record in 1983 was dismal. Our one great strength was a good dividend record."

So the plan was established: find investors with long-term investment horizons or a liking for income more than capital growth, and gain and retain their loyalty despite all the changes that were on the way.

Ryder began with a detailed examination of BET's share register to find out just who its 70,000 shareholders were. The company set up a new computer system when the registrar proved too inflexible. "The first discovery was a pair of predators building up a stake - which added a note of urgency to the whole programme," he says.

"We found that many of the large institutions were absent altogether, but that individuals owned 35 per cent of our shares and that they were long-term holders."

Entering two years' back data showed which institutions tended

to be traders and which were loyal holders. "We also got a good idea of their trading habits, so now we can detect unusual behaviour."

By researching large institutions and their investments in UK equity, and then inspecting other large companies' share registers, BET built up target lists of potential institutional investors.

It then turned its attention to brokers' analysts - "an obvious influence on investors, and a prime target for investor relations." BET's registrars were asked to change their computer systems in order to capture the broker's name on each share transaction; and fund managers were regularly quizzed about which analysts they trusted.

The result is that BET can now quickly spot significant changes. "For example," says Ryder, "our system is now showing that Morgan Stanley and Nomura now handle about a fifth of the real volume of trade in BET shares, yet they were jointly doing less than 2 per cent a year ago. We now give them a great deal of priority in terms of visits and meetings."

Having defined its objectives and market, BET designed programmes for each segment. Indi-

vidual shareholders are cosseted, constantly supplied with simple, straightforward summaries of every important business step, and invited with their friends (as potential investors) to "share the BET experience" at regional gatherings where they meet all the group's top managers.

BET gives more than 100 presentations a year to groups of its UK and overseas employees.

And before it launched its shares in the US last September, group executives spent two years regularly visiting retail brokers in towns close to its operations. As a result, 65 per cent of the issue was sold to individuals.

"The shift in institutional ownership has also been radical," says Ryder. "By targeting the longer term and income-oriented funds in the UK, Europe and the US, we have totally changed the list of institutions on our register."

The marketing exercise, he believes, has been an invaluable help in smoothing the course of the group's strategy which has multiplied its market value by seven and taken it into the FT's top 50 UK companies. The share price has kept up with the indices though the number of shares on the market has doubled.

Ryder suggests that the key to success in investor relations programmes is to ensure that whoever takes charge has the seniority to know all the company's plans, their background, and their implications.

"Someone must do a serious job of defining the objectives, planning the strategy, researching the market, and designing both the message and the delivery vehicles."

"Investors don't need to talk to the top man on every detail but they do need to know there is someone with access to the top who will be available when they need him."

Why are so few companies marketing themselves in this way? "I guess," says Ryder, "it has something to do with the British attitude to selling in the first place. The word salesman seems to conjure up a picture of a Ford Sierra estate, full of samples, driven up the M1 by a job with his jacket on the back seat, his tie loosened and his collar open, who will be staying overnight in Lily's bed and breakfast."



Scenes from the latest Levi ads set in the Mid West of the 1950s

All steamed up in cool jeans

Alice Rawsthorn on Levi's latest promotional push

THE SCENE is a seedy hotel diner in the sweltering heat of the American Mid West in the late 1950s. A young man, clad only in a shirt and boxer shorts, smoulders at the owner's dishevelled daughter and retrieves his jeans from the refrigerator. He pulls on the jeans and roars off on a Harley-Davidson motorcycle: all to the tune of Muddy Waters' blues music.

The hotel diner, the young man and his refrigerated jeans are part of the new commercial for Levi 501s, the leading brand of jeans made by Levi Strauss, the US jeans giant. This commercial - which cost more than £300,000 to make - is the centrepiece of Levi's 1988 European advertising campaign. It will be unveiled across the continent in early July.

For the past three years the advertising produced by Levi - and Barrie Bogie Hegarty, its European agency - has achieved the double coup of winning awards by the bucketful and boosting sales. The only "problem" is the need to maintain momentum: by ensuring the new commercials are as successful as the old.

Three years ago when Levi relaunched 501s in Europe such a problem would have seemed improbable. The company had just emerged from a shattering year of restructuring,

in which dozens of factories were closed worldwide and thousands of jobs lost.

Levi's difficulties had begun a few years earlier when the jeans market lurched into decline. The principal problem was that to the teenagers of the early 1980s the denim jeans was a tired legacy of their parents' younger years, not an emblem of their own adolescent revolt. The US jeans market was bolstered by sales of workwear to blue collar workers, but European sales slumped from 250m pairs in 1981 to 150m pairs in 1986.

Levi's response was to cut costs and to return to its roots as a traditional jeans manufacturer. The linchpin of this new strategy was the relaunch of 501s - the original fly button blue jeans - to the US in 1984 and, in the following year, to Europe.

The first European 501s commercial starred a young man who stripped down to his boxer shorts to wash his 501s in a 1950s laundrette. It launched the young man, Rick Kamen, in a new career as a pop star and revitalised the jeans market.

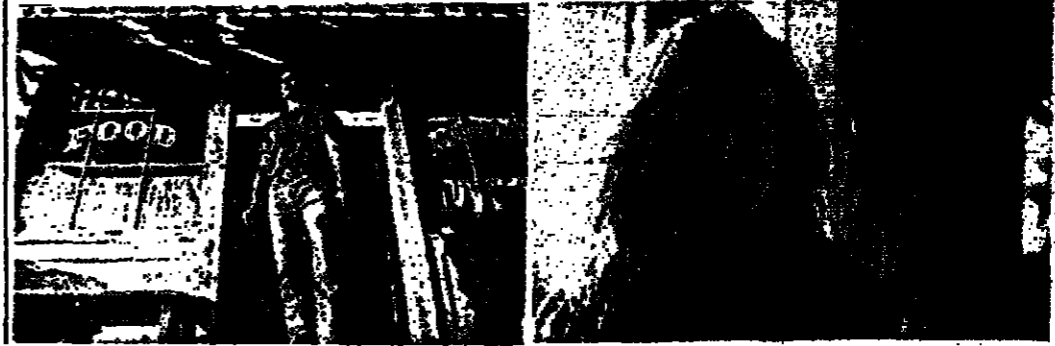
In the UK alone, where "Laundrette" was first shown, the jeans market has risen from £550m to £600m between 1985 and 1987, while Levi's share has rocketed from 13 to 18 per cent.

Levi has achieved this by adopting a strategy of establishing 501s as its "classic jeans", while introducing new styles in response to changes in fashion. The core product range - like its advertising - is uniform throughout Europe although each national division is able to choose its own "peripheral" merchandise.

This year's new product is a range of "chinos": the pleated, cotton twill trousers worn by the US armed forces. Chinos have caught on almost as quickly as 501s in the UK and the US, and are now gathering momentum in the Benelux and Scandinavia.

The company is also introducing the Levi chinos - established in Southern Europe and the Benelux - to other countries including France and the UK. The shops help to tackle the parallel problems of the diversity of its retail base and the lack of control over presentation by acting as showrooms for its products.

In the meantime Levi is considering a change of theme for the next 501 campaign. So far the commercials have been set in the 1950s but, according to Andrew Kallias, head of marketing for the UK, future campaigns could move to another era: "The first 501s were made in the mid-1950s, not in the 1950s. It may be time for a change."



You'll know when the fiesta starts. You'll never know when it ends.

Carnival-time in Spain, or how to dress up using your imagination.



The Moorish invasion of Spain. Yesterday's war is today's "Fiesta".

Music, people, colour, fun, wine, fireworks... these are the main ingredients of a "fiesta" in Spain. And you'll find them all even in the smallest of our villages.

So don't be surprised to learn that there are more than 3000 "fiestas" a year.

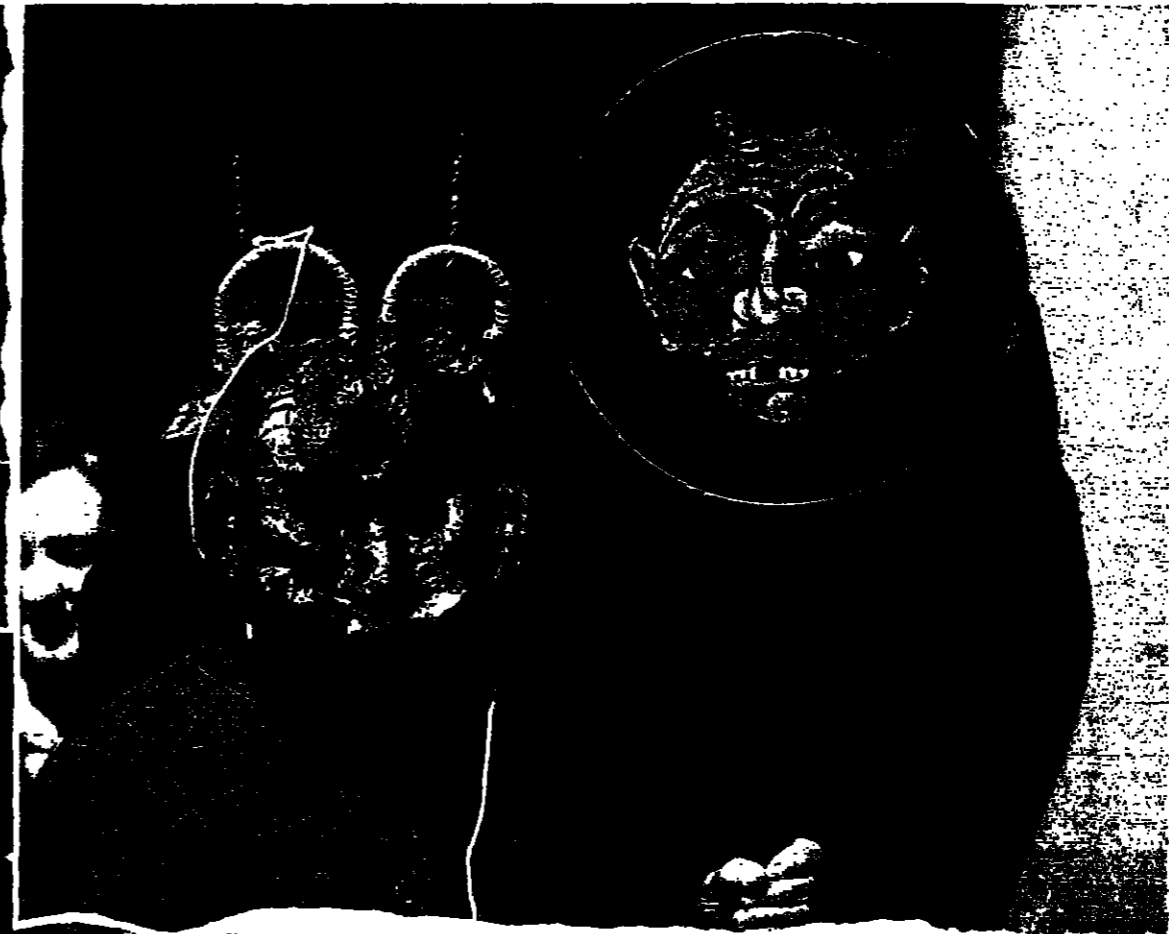
Can you imagine what it's like to work for a whole year on beautiful sculptures made from wood and papier-mâché, just to burn them in one day? You can't. Well, you should see it for yourself at the "Fallas" in Valencia.

Or can you picture yourself at a "Fiesta on the move", with horses, carriages, Sherry and flamenco? You just have to be in Seville during the "Feria de Abril". These are just a few examples.

Come to Spain whenever you like. Whatever the season, one thing's sure: there'll be a "fiesta" starting. When it's over, don't worry. The next one is about to start.



«Feria de Abril», Seville.



In Spain there are festivals that started in the Middle Ages and haven't changed since that very first day.



A year's work burnt in a single day. At the "Fallas".



Music, flowers and fun. To be found at each and every one of the 3000 "fiestas" in Spain.



Handwritten text at the bottom of the page: "دعواتكم الى مهرجان" (Invitation to the festival).

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BUSINESS LAW

Tax lawyers ask for Glasnost

By A.H. Hermann, Legal Correspondent

READERS tell me that I overstated the effect of the *Legod* judgment in my column two weeks ago. They are probably right. Though the judgment spoke with unmitigated disdain about the absurdity of providing copyright protection for the life of the author plus 50 years to designs which are purely functional and therefore do not qualify for 15 years protection under the Registered Designs Act 1956, it apparently allowed this absurdity to survive, though much weakened. Together with the blow which spare parts copyright protection received in the *Legland* case - when it was held that the consumer has an overriding right to have his motor car and other gadgets repaired, there does not seem to be much left of practical value.

While the Privy Council only held up the wheel of history a little, the Special Committee of Tax Law Consultative Bodies is trying to turn it back. The first two parts of their report on Tax Law after *Furniss v Dawson*¹ is a lament on the blow inflicted to the tax avoidance industry, which will hardly bring me to tears. The three remaining parts, however, contain a number of valuable suggestions for the improvement of tax legislation and its interpretation which deserve every support.

The two issues are inextricably connected. The tax avoidance industry could never have reached the proportions it reached in the 1970s - no doubt in response to the confiscatory rates of income tax on higher incomes - but for the peculiar way in which English statutes are drafted and interpreted.

It is generally agreed that the tax statutes are too long, too obscure and too complex. Because the courts used to, and mostly still do, interpret them word by word and mostly for the benefit of the tax payer, they are drafted so as to provide for every conceivable situation. Because of the stibboleth of budget secrecy, outsiders are not consulted about the bills before they are presented, resulting in an inordinate number of amendments being introduced by the Government and approved by Parliament sitting into the small hours. Schedules are packed to bursting point. All this results in a great number of "loopholes" which can easily be exploited because the purpose acts are silent about the purpose of the various provisions.

By 1980, the tax avoidance

industry, living off such loopholes and inconsistencies, reached such proportions that it had a perceptible adverse effect on revenue. The Inland Revenue decided to destroy the industry in courts. The outcome were two decisions which introduced the consideration of taxpayer's real purpose when arranging tax-efficient transactions. Until then the courts only compared the isolated and often purely formal steps of the tax avoidance scheme with the words of the statute. Now the Law Lords told them to attach no tax benefit to transactions which had no real business purpose. I am referring, of course, to the *Ramsay* and *Furniss* decisions,² responsible for what is called "the new approach".

The new approach tries to eliminate, at least partly, what civil law jurisdictions prohibit as "abuse of law". In the *Ramsay* decision, the Law Lords held that a circular series of transactions which, when completed, leave the taxpayer where he was before - with the only difference that his tax liability is reduced - should be ignored in the tax assessment. The *Dawson* decision brought the idea a step further by saying that the introduction into a real transaction of an unnecessary step which will diminish or delay the tax liability should also be ignored.

Three "tax avoidance" cases are pending before the Law Lords.³ In these the Inland Revenue claims that the taxpayer should be deprived of the advantage gained by tax saving transactions, made by him in anticipation of a real deal that was envisaged but not certain at the time.

From the time it emerged in 1980, the new approach caused understandable alarm and despondency amongst tax advisers. They refused to concede defeat. Erratic decisions in the Chancery, where some judges disapproved of the new approach, encouraged them. The cry was: "Only Parliament can impose taxes and if the words of the legislation can be read so as to bring an unintended benefit to the taxpayer, so be it." The obscurity of the tax legislation was dismissed by those who could afford to pay a tax adviser to lead them through the maze. True the tortuous drafting also produced unintended disadvantages for taxpayers - but these could and often were removed by amending legislation or by special concessions

granted by the Inland Revenue. The Law Society stimulated the debate by, in 1980, publishing *Tax Law in the Melting Pot*, a report by its Revenue Law Committee. The Society's efforts in this field are continued by the publication of the present report, produced by a committee with a wider membership. It is drawn from accountancy bodies, and such organisations as the Bar, the Institute of Directors, the Confederation of British Industry, the Chambers of Commerce, in addition to the Law Society.

The report analyses the effects, real or possible, of the new approach, finding the Law Lords' speeches lacking in precision and consistency. It concludes that these judgments achieved some flexibility at the cost of certainty and that it is inappropriate for courts to take such a far-reaching reform upon themselves. The determination of taxation policy should be left to Parliament.

The report blames the courts for having gone well beyond their traditional role in formulating public policy. It has a point when it says: "Under the uncertain regime of the new approach, the results of taxpayer transactions may be judged not in accordance with the law as they understood it to be at the time the transactions were undertaken, but in accordance with principles of interpretation developed subsequently."

The committee which produced the report would obviously like to see the new approach outlawed, though it does not go so far as to ask for it. But they do say that it should be allowed to fall into desuetude. (So much for their craving for legal certainty?) Failing that, the courts should restrict the retroactive effect of their judgments, as US courts and the European Court do sometimes, or, at the very least, the Inland Revenue should exercise a self-restraint in applying anti-avoidance judgments to transactions which were completed earlier. Another solution would be to replace the judicial new approach by statutory anti-avoidance measures which the committee hopes could be better defined (and which, one fears, could be also better avoided).

So much for the first two parts of the report with which I am out of sympathy. However, in its three remaining parts, the report contains a number of most valuable suggestions. I will deal with these suggestions in a different order, starting

with the preparation of legislation. The committee recommends the establishment of an expert advisory committee which would sift representations, comments and evidence and report its findings directly to Parliament. Parliament should scrutinise draft legislation in a special standing committee. To make consultations really effective, budget secrecy would have to be reduced to the bare minimum.

The reports further recommends that to clarify the intention of Parliament and to facilitate the interpretation, notes explaining their purpose should be placed against the individual sections and subsections of financial legislation. This would certainly be a substantial improvement. Better still, of course, would be to draft the legislations in such a way that it is self-explanatory - but that seems an Utopian proposition as long as the monopoly of the Parliamentary Counsel is not dislodged.

The explanatory process, according to the report, should be continued by allowing courts to refer to reports of parliamentary debates and, further, by publication of the internal guidance notes of the Inland Revenue. Advance rulings and decisions in individual cases should also be published. The committee saw the danger of, in this way, making the Inland Revenue the judge in its own case, but this is already so, as only very few people can afford the costs of litigation, said to amount to at least £100,000 in a simple dispute. Publication of rulings which could be criticised in Parliament would probably have a restraining effect on the tax authorities.

To sum up what is needed, and not only for taxation:

- Statutes properly prepared and clearly stating their purpose; this would also bring UK legislation in methodical conformity with Community legislation.
- A general rule that laws must not be abused by pitting their technical provision against their general purpose.
- A Freedom of Information Act.

¹ *British Leyland Motor Corp Ltd v Armstrong Patents Co Ltd* (1986) 2 FTLR 8
² *Published by the Law Society, DL59*
³ *Furniss v Dawson* (1984) STC 174
⁴ *Ramsay v IRC* (1981) STC 174
⁵ *Crown v White, IRC v Bowater Property Developments, Baylis v Gregory* (1987) ITC 297

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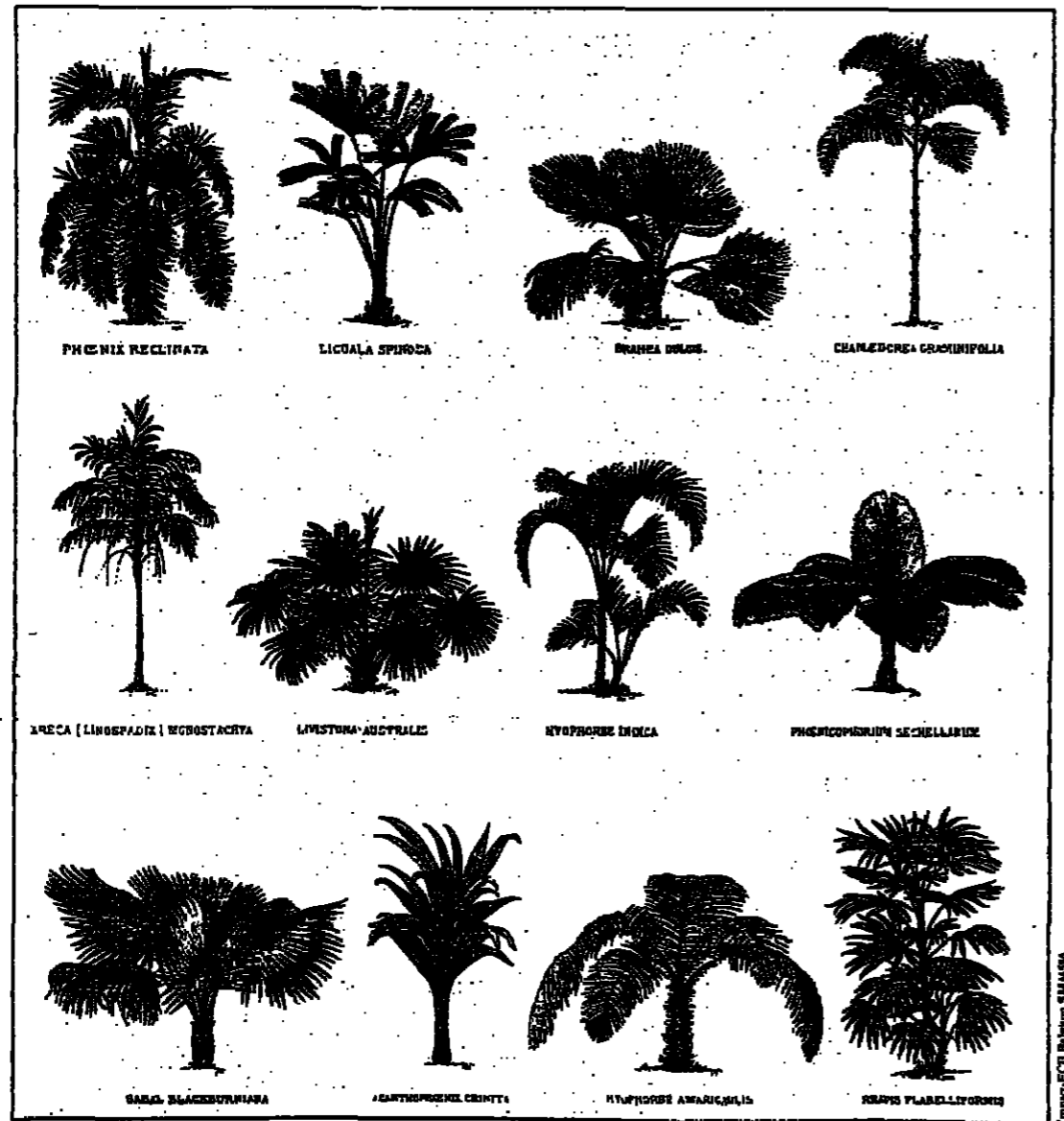
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ACCOUNTANCY

APPOINTMENTS

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AND

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Provident Life is the UK life subsidiary of Winterthur Swiss Insurance Company, one of Europe's leading insurance groups. The company is planning rapid expansion of its operations in the financial services sector - a development which demands sound taxation advice. As Tax Manager you will manage the Company's taxation affairs, dealing with all aspects of corporation tax and advising on effective planning in all areas. This new position demands a creative and strategic approach, particularly in the areas of product development and modelling for tax planning purposes.

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experience of the complexities of life assurance taxation is required - training will be provided in this area. This is an ideal opportunity either to launch a specialist taxation career within the financial services sector, or gain further experience for a broader finance career. Excellent benefits will include company car, subsidised mortgage, performance bonus, and a non-contributory pension. Relocation assistance will be provided where appropriate. Please reply with full CV to Mr. G.S. Boutle, Provident Life, Provident Way, Basingstoke, Hants RG21 2SZ. Tel: (0256) 470707. Provident Life is a member of LAITRO Authorised to transact Life Assurance and Pensions Business.

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Together, you and the team will grow this business, whose home and export markets show great potential. Prospects of promotion within your own discipline, or into general management, are excellent - if your performance matches your own and the company's expectations.

To pursue this opportunity, please apply to Dudley Harrop at our Manchester Office, quoting ref. no. M874.



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This dramatic pace of change within the Company has created excellent opportunities for ambitious accountants with audit experience to develop the audit activities of the Courage Group.

We are currently looking for an INTERNAL AUDIT MANAGER AND 2 SENIOR INTERNAL AUDITORS.

These positions would suit Chartered Accountants who can offer varied experience of internal or external audit functions as well as a thorough

working knowledge of computerised systems. We are looking for individuals who can demonstrate flexibility and good interpersonal skills and are keen to develop within a new, small team.

Scope for career development within Courage and the wider Elders Group is excellent.

These are all senior positions offering competitive salaries plus executive car, and a range of company benefits including excellent pension scheme.

To apply, please send your full cv including present salary and indicating which appointment you are interested in to Mr R R Capewell, Group Manager, Resourcing & Development, Courage Limited, Ashby House, 1 Bridge Street, Staines, Middlesex TW18 4TP.



COURAGE
EST 1787

HEAD OF FINANCE (£25,000 - £27,500/Bar £30,000) CHIEF ACCOUNTANT (£20,000 - £22,500/Bar £25,000)

Sheffield City Polytechnic is embarking on an exciting new phase in its development. Already one of Britain's largest and most successful institutions of higher education, next year we become an independent corporation with a budget of £40m.

Right now we are looking for the people who will lead up our newly structured Finance Department, which is playing a key role in managing the Polytechnic and its systems as we prepare for corporate status and beyond.

As well as offering outstanding professional opportunities in an expanding sector, these posts have the added attraction of our location - in the heart of Sheffield and within easy reach of some of the loveliest countryside in England.

Head of Finance

As the Head of Finance you will be responsible for the stewardship of the Polytechnic's funds and for the effectiveness of the Finance Department. You will advise on and implement our financial strategy, manage our investment programme, help maximise our income and make sure our systems support effectively the work of the Polytechnic and its associated companies.

Chief Accountant

As Chief Accountant you will develop our Accountancy Division, give advice on and implement budgetary policies, develop and maintain efficient budgeting, financial management, monitoring and control systems, make sure our financial information systems are effective, advise on value for money improvements and produce the Polytechnic's annual budget and accounts.

Both these posts will be involved in managing far-reaching changes within the Polytechnic. We are therefore looking for people with substantial experience at a senior level and proven track records in the management of change.

Application forms and further details are available from the Personnel Department, Sheffield City Polytechnic, Halfords House, Fitzalan Square, Sheffield S1 2BB. Telephone (0742) 720911 Ext 2965. The closing date for applications is 6 June.

Sheffield City Polytechnic is an equal opportunities employer.



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Newcastle, Cardiff, Manchester, Leeds and Edinburgh. Previous experience in a large corporate organisation together with knowledge of computer-based accounting systems and modelling techniques using a microcomputer would be an advantage. Salaries are in the range £14,235-£17,455, depending on qualifications and experience. Up to £1525 higher in London. For further details and an application form (to be returned by 20 June 1988) write to Civil Service Commission, Alcorn Link, Basingstoke, Hants RG21 1JB, or telephone Basingstoke (0256) 468551 (answering service operates outside office hours). Please quote ref. G2B590.



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TAX ACCOUNTANT

This major public Group, a market leader in its field, has an impressive record of innovation, growth and profitability. It now seeks a high calibre tax professional to be part of a small team developing the tax function across the Group. Whilst having responsibility for tax reporting and compliance, the role will also encompass tax planning and advice, drawing management's attention to the tax implications of all business activities. Candidates will be imaginative and commercially aware qualified Accountants, aged 28-32, who have gained broad tax experience within the profession or a major company. Career opportunities within the Group are excellent.

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If so, I would like to hear from you. Please send a note of any preference as to the area in which you would like to work to: J B Holden Esq., Joint Monitoring Unit, 26 Borough High Street, London SE1 9QC, and I will send you an application form.

Group Accountant

up to £30,000 p.a. plus car North London

Our client is a successful aggressively growing quoted Group of companies with diverse interests in the leisure, consumer goods, industrial distribution, packaging and engineering industries with operations throughout the United Kingdom. The Group has ambitious plans to continue its development by organic growth and acquisition and wishes to make a new appointment of Group Accountant who will be responsible for varied work including preparing group plans and financial forecasts, monthly and statutory accounts, developing and improving operating company controls, conducting investigations into potential acquisitions and participating in post-acquisition actions.

Candidates must be young, well qualified accountants who have gained training and experience with a well established practice or company, which has exposed them to the accounting standards and requirements of public companies and preferably to mergers and acquisitions. The initial remuneration package will be excellent, including a good salary and the opportunity to earn a substantial bonus, as one would expect for a high flyer accountant in this form of company which believes in rewarding successful people. Career prospects in this exciting fast-growing group are excellent.

Please send details of your career and contact telephone numbers quoting reference G012FT to: George Hopwood, Grant Thornton Management Consultants Limited, Heron House, Albert Square, Manchester M2 5HD. Interviews will be held in London.



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My client, the UK subsidiary of a diverse international group, provides a market leading range of products and services primarily for the banking, finance and retail sectors. Current turnover is c£10 million. Rapid expansion is planned which will include acquisitions. The Financial Director will be expected to take a leading role in the commercial development of the business. Key objectives include a review of all computer systems and the implementation of a coherent strategy, the guidance and support of fellow Directors during a period of change and growth, and the development of effective relationships with the company's external advisers. Applicants, preferably aged 35-45, must be qualified accountants with rounded business management experience, gained in a marketing led, manufacturing environment. The ability to contribute to success as part of a committed executive team is essential. An excellent salary and benefits package is provided. A home base within commuting distance of the Hants coast is desirable. Applicants of either sex should telephone for an application form or send a full CV quoting Ref. 1157 to M. R. Salter, Director, Hales & Hindmarsh Associates Ltd., Century House, Jewry Street, Winchester, Hampshire SO23 8RY. Tel: (0962) 62253.



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Trinity House Finance plc, the fast growing consumer finance subsidiary of THORN EMI requires a qualified accountant to join a small Head Office team. The key tasks will include budgeting, forecasting, modelling, monthly reporting and annual accounts. Ideally, candidates will have 2 years' experience in a commercial organisation including a knowledge of the Finance Industry. They will be familiar with the use of computers, including micro computers, and will have the potential to become a Chief Accountant in the short term. Applications, which will be treated in confidence, are invited from 'self-starters' who will enjoy working within an informal but professional environment. Although the vacancy may have special appeal for men or women in their mid to late 20's, all applications will be considered seriously irrespective of age. Write to the Company's adviser, R. W. H. Lubbock, Lubbock Associates, 19 Adelaide Road, Wotton-on-Thames, Surrey, KT12 1NB.



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ACCOUNTING MANAGER: A qualified accountant experienced in container shipping who would report to the Chief Executive, on behalf of the small accounts team, on all financial aspects of the business. A sound knowledge of management accounts, reporting procedures coupled with fundamental computer literacy and good communications skills are essential.

An attractive package is offered and there are interesting longer term career prospects for the right candidate. Please write with cv and full details to:

The Chief Executive
EURO PACIFIC NEW ZEALAND LINE LIMITED
Drapers Court, Kingston Hall Road, Kingston-upon-Thames, Surrey KT1 2AG

ACCOUNTANCY APPOINTMENTS

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ON
PAGES
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ARTS

Cannes Film Festival/Nigel Andrews

Monumentality is no substitute for magic

The mood on prize-giving night at this year's Cannes Film Festival... My chief reservation is that the film's style is painfully plain...

is based on screenwriter Shawn Slovic's own... My chief reservation is that the film's style is painfully plain...

ing to provide the best Man-Against-Nature... One of the important measures for any festival film is how it stands the test of time...

brilliant allegorical tender, and the delicate ferocity of the three female performances... My early prognostications of British success are now vindicated...



Jonathan Pryce, Rachel Kempson, Michael Gambon and Greta Scacchi

Uncle Vanya/Vaudeville

Michael Coveney... The symbiotic connection between this dacha-bound Camilo and the comparison with Leoncavallo's clown is irresistible...

Full dress, top class Chekhov in the West End is a rarity these days... Jonathan Pryce and Rachel Kempson's great jaw sag into his robes...

of moody Chekhovian plangency... Telegin plays the guitar as a tactful cover-up to Vanya's first muffled protestations of affection...



Juliet Stevenson, Joan Plowright and Joely Richardson in Peter Greenaway's 'Drowning by Numbers,' honoured for Best Artistic Collaboration

Will You Still Need Me?/Attic, Wimbledon

The Wimbledon Theatre may be due to come down as part of "redevelopment," reportedly favourably regarded by "Wrecked" Ridley...

Martin Hoyle... Leonard and Edie are brother and sister who have only recently decided to share a home...

In the last play, Knocking on the Wall, Ms Welsh is Dorothy, recovering from a nervous breakdown and still apt to fly into panic...

Ewa Podles/Wigmore Hall

Richard Fairman... Wise is the singer who puts her best foot forward in the opening item... The Polish mezzo Ewa Podles has been making a name for herself recently in florid operatic roles...

To couple them with Schumann's intimate cycle Frauenliebe und -Leben will be advised... Although the singer never let up in her strenuous efforts to put the songs over...

Cruel Garden/Sadler's Wells

Clement Crisp... A decade ago, Ballet Rambert presented Cruel Garden, a full-length ballet by the choreographer and designer by Lindsay Kemp...

compiled by Carlos Miranda; the writing for Lopez, and a couple of choreographic set-pieces, which sado-masochistic overtones do not undermine the vitality of the movement's images...

LESS COMMISSION ON FUTURES AND TRADED OPTIONS WITH BROKERS WHO PAY MORE ATTENTION TO SERVICE Bowers Cadle & Co Ltd

Form with fields for Name, Address, Telephone, Signature, and a note: 'Only speculate with funds you can afford to lose.'

Arts guide May 20-26. Exhibitions: LONDON (Royal Academy, National Gallery), NETHERLANDS (Amsterdam), VIENNA (Kunsthistorisches Museum), CHICAGO (Art Institute), TOKYO (Tokyo Metropolitan Art Museum), NEW YORK (Metropolitan Museum), PARIS (Centre Georges Pompidou), WASHINGTON (National Gallery).

Saleroom/Antony Thorncroft Tisnot doubles estimate. With the Brighton Festival in full swing it was quite appropriate to have the most joyous and colourful event...

The closer you look at Building Surveying the more you see...

01-499 8626 St Quintin

Fed calls for self-regulatory bodies to limit margins

BY ANATOLE KALETSKY IN NEW YORK

THE US FEDERAL Reserve Board said yesterday that stock exchange self-regulatory organisations should take over its present responsibility for setting margin requirements in the equity markets.

stock market crash. Raising margin requirements, particularly in the futures markets, would not dampen volatility but "could significantly reduce liquidity and thus diminish the economic benefits these markets provide in terms of hedging opportunities and price discovery."

many combined one of the most detailed discussions to date of the Fed's views on margins. Authority to set margins should be vested in the exchanges rather than the Fed.

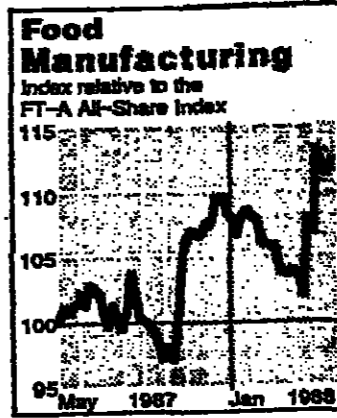
If given the authority to set margins the exchanges could adjust margin requirements to reflect difference in price volatility among individual stocks.

Seidman, chairman of the Federal Deposit Insurance Corporation, expressed cautious optimism about the future of the troubled US banking industry.

THE LEX COLUMN

Leaving it all to the Swiss

The second round of the fight over Rowntree for which Lord Young rang the bell yesterday morning is so far a matter of feints and manoeuvres.



to the average market rating, Saatchi will hardly get a chance to show whether it can buy enough businesses to reach this goal.

Tim Dickson in Brussels reports on EC legislation presenting challenges to fund managers

Luxembourg lures in the unit trusts

FORGET 1992. A more important date for the diary is October 1 1989.

But in practice, mostly insuperable barriers have been created by the wide range of different investor protection rules which operators have to obey.

Mr Mark St Giles, joint managing director of GT Unit Managers and a UK unit trust expert on Europe.

Grand Duchy. UCITS, however, is likely to have a bigger impact on areas such as the Channel Islands and the Isle of Man.

Commission supported in 'right to punish'

By Tim Dickson in Brussels

THE RIGHT of the European Commission to punish competitors which break its competition rules, even if they are based outside the boundaries of the 12 member states,

Mr Marco Darmon, the court's Advocate General, rejected a claim by a group of US, Finnish and Canadian pulp producers that the Brussels authorities should not have imposed fines for alleged price fixing in 1984.

For all the interest and excitement, there is no guarantee that the UCITS directive will have an immediate effect in opening up the European market post-October 1989.

The opinion recommends that the doctrine of "qualified effects" - which was raised at a preliminary stage, although not ultimately accepted by the court, in a celebrated case between ICI and the Commission before Britain joined the Community - should be generally adopted as the criterion for governing jurisdiction.

While Courtaulds cannot be blamed for the sapping weakness of the dollar, nor for the low demand and high raw material costs that have hurt Courtelte, currency movements and the acrylic cycle remain the two

most important influences on this year's profits. But as neither can be predicted - the company was sensible yesterday to risk disappointing analysts by abstaining from any careful predictions.

On the other hand, it is possible that Suchard, having been rejected out of hand by Rowntree yesterday, may feel it worth while to lay down a marker with a firm bid of its own.

While Courtaulds cannot be blamed for the sapping weakness of the dollar, nor for the low demand and high raw material costs that have hurt Courtelte, currency movements and the acrylic cycle remain the two

A relatively benign tax regime, few restrictions on fund managers and a long tradition of discretion and banking secrecy are important inducements

By all accounts, the changes the new legislation will introduce have put much of the London-based unit trust industry in a spin. They are posing a significant competitive threat to the "offshore" tax havens such as the Channel Islands and the Isle of Man.

Some UK groups, exasperated by narrow restrictions on obligations introduced under the UK's Financial Services Act have even contemplated moving out of London completely to take advantage of the more flexible and friendly regulatory environment in the EC's thirteenth member state.

London-based groups generally are not slow to contrast the Luxembourg set-up with the "stringent" new regulations for UK operators, as one put it, of the UK Financial Services Act.

There is no way that I could walk into the Deutsche Bank and ask them to sell units in my fund," says one investment manager. "They'd just laugh in my face."

Research body urges Britain to join EMS

BY SIMON HOLBERTON IN LONDON

THE UK GOVERNMENT should clarify its monetary policy objectives and take it easier to reconcile membership of the European Monetary System, the (UK) National Institute of Economic and Social Research said yesterday.

EMS provides a readymade framework. "Full membership would take it easier to reconcile low inflation with a more predictable exchange rate and lower rates of interest," it says.

With the abandonment of monetarism the Government has been left without a focus for policy and in a situation where monetary policy has become "obscure and confusing", it says in its latest review of the British and the world economy.

The Government's medium term financial strategy was once an "admirable attempt" to be clear about policy priorities but it is not very helpful today, the Institute says.

The Institute believes that buoyant consumption and investment spending will be mainly responsible for UK economic growth this year of 3 1/2 per cent.

"The day-to-day conduct of monetary policy has become obscure and confusing. If the authorities are following a consistent rule or formula when setting interest rates, then it would mean the situation much clearer if they said what it is."

Surge in Japanese growth helps lift corporate profits

BY STEFAN WAGSTYL IN TOKYO

JAPANESE corporate profits are soaring, thanks to a surge in domestic economic growth, the launch of new products and the impact of cost-cutting programmes.

Record annual results announced yesterday by three top companies highlight the strong performance of Japan in the face of the rise of the yen over the past year.

Nippon Telephone & Telegraph (NTT), the privatised telecommunications utility which is Tokyo's market leader, boosted parent pre-tax profits by 39 per cent.

Record annual results announced yesterday by three top companies highlight the strong performance of Japan in the face of the rise of the yen over the past year.

Fujitsu, the computer company, showed a 166 per cent rise, while Sony, the innovative producer of consumer electronics, was more than 75 per cent ahead.

Rowntree bid cleared

Continued from Page 1

had risen sharply on Tuesday in anticipation of a clearance.

distortion of competition in the EEC. It is thought unlikely that such powers will be exercised in this instance.

Under Articles 85 and 86 of the Treaty of Rome, the European Commission has powers to unscramble a merger after it has happened if the merger leads to a

tax havens, including Hong Kong. He refused to disclose the likely scale of the promised personal tax cuts, saying, with an acute eye on the unions, that their size and timing would depend on an acceptable outcome.

World Weather

Table with columns for location, temperature, and weather conditions for various global regions.

Australian mini-budget

Continued from Page 1

the equipment. Other adjustments include a reduction from 150 per cent to 100 per cent in the deduction allowed for research and development, and, from January 1991, an end to the exemption from corporate tax enjoyed by gold mining companies.

Because companies will now face a tax rate similar to those in other industrial countries, Mr Keating has exempted from tax those dividends companies receive from abroad from July 1989. However, the change will not apply to some 60 designated

ADVERTISEMENT

Blue Vixen success

Ferranti Defence Systems reports a second important milestone in the development of Blue Vixen, the lightweight multi-mode pulse doppler radar for the Royal Navy's Sea Harrier FRS2.

ARMY Missile training

Ferranti has been awarded a contract from Short Brothers for the production of a Tactical Detachment Trainer for use by the British Army with its new Short's Starstruck missile.

FERRANTI INTERNATIONAL selling technology. Ferranti International Signal - the merger of Ferranti plc and International Signal & Control Group PLC.

NEWS REVIEW

BUSINESS

Teaming up with Canada

Ferranti Defence Systems has signed a teaming agreement with DY4 Systems Inc, Canada, to team on the bid for the Canadian CF18 Forward Deployment Automatic Test Equipment (ATE) requirement.

Boeing and Rolls-Royce in \$2bn deal

Continued from Page 1 offers operating cost savings over a 3,500 mile range.

Rowntree bid cleared

Continued from Page 1 had risen sharply on Tuesday in anticipation of a clearance.

Australian mini-budget

Continued from Page 1 the equipment. Other adjustments include a reduction from 150 per cent to 100 per cent in the deduction allowed for research and development.

INTERNATIONAL APPOINTMENTS

British Gas executives join Bow Valley board

CANADIAN oil and gas group Bow Valley, in which British Gas recently acquired a major equity interest, has announced the appointment of Mr Cedric H. Brown and Sir Leslie Smith, two British Gas executives, to the Bow Valley board of directors.



Mr Peter A. Hegedus

after heading the international subsidiary since its formation in 1981.

Mr Brown has been with British Gas for nearly 36 years. Prior to June last year, he was head- quarters director, Morecambe Bay Project, British Gas, and is presently regional chairman, British Gas West Midlands.

Mr Leslie Smith was made a non-executive director of British Gas in 1982. He is also a non-executive director of BOC (formerly British Oxygen), and has previously held the position of chairman and chief executive at that company.

PERKIN-ELMER Corp. of Norwalk, Conn., has named Mr F. Gordon Bitter vice president finance and chief financial officer, with responsibility for all aspects of accounting and finance in the company's worldwide operations.

Mr Bitter formerly was senior vice president and chief financial officer of Singer Co. He succeeds Mr George Shegog, who left Perkin-Elmer in March.

CONSULTING engineering group Gilbert/Commonwealth has

named Mr Peter A. Hegedus general manager of its subsidiary Gilbert/Commonwealth International Inc. (GCI). He replaces Mr Dallas J. Stephens, who retires

projects as designing the country's National Energy Centre and the Abu Sultan electric power plant at Ismailia.

WESTPAC Banking Corporation, the Sydney-based group, has announced that Mr Warwick Kent is to become chief general manager group credit policy and control when Mr Frank Ward retires on July 8.

Mr Kent, who is head of the company's corporate and international sector, will be succeeded by Mr Philip Dent, head of corporate banking and managing director of Partnership Pacific.

SUMITOMO Metal Mining Co has nominated a senior managing director, Mr Akio Shinomiya, 60, as new president. Sumitomo said in a statement in Tokyo.

Mr Masamichi Fujimori, the 66-year-old president, is to become the chairman. The company will officially name the new chairman and president at a board meeting on June 23.

NIPPON OIL is to name Mr Kenzo Iwamoto, its 64-year-old managing director, as new president to succeed Mr Yasuaki Tatsuchi, who will become chairman. The decision will be formally approved at the end of June.

President to switch at Hitachi Zosen Corp

HITACHI ZOSEN Corp., the debt-laden shipbuilding company, announced that Mr Yoshihiro Fujii, vice chairman of Sanwa Bank, is to be named its new president.

The decision, reached by the board, is expected to be approved at the annual shareholders' meeting on June 29. Outgoing president Mr Toshio Murayama said he asked the Sanwa president last month to help with Mr Fujii's appointment.

Sanwa is Hitachi Zosen's primary bank and Mr Fujii's appointment indicates that reconstruction will be in line with Sanwa policies.

HILL SAMUEL will strengthen its mergers and acquisitions team in New York with the appointment of Ms Mary Jo Zandy as leader of an enlarged section from May 31.

Ms Zandy was previously with Donaldson Lufkin and Jenrette Securities Corporation. She will be joined by Mr Ritter Gaylord, who was previously with Citicorp Investment Bank.

NEWS CORP and William Collins have named Mr George Craig president and chief executive officer of its Harper and Row Publishers unit. He was formerly with William Collins and joined Harper Row in September 1987.

Hachette appoints new president for acquired US group

BY OUR FINANCIAL STAFF

HACHETTE, the big French publishing group, yesterday appointed Mr Eric Laffont as president and chief operating officer of Grolier, the US publishing group which it acquired last month.

Mr Laffont succeeds Mr Andrew J. Reinhardt, who is retiring on his normal retirement date as president and chief operating officer. Mr Robert E. Clark will remain chairman and chief executive officer of Grolier, which agreed in April to be acquired by Hachette.

Mr Laffont was director of management control, budget and planning for Hachette. Before joining the company in 1987 he was with General Foods Credit Corp.

FAY RICHWHITE, the New Zealand merchant bank which is also heavily involved in commercial activities, is expanding its international operations with the appointment of Mr Guy Williams, as chief executive of Fay Richwhite UK. He has been an executive director of the company.

THE BOARD of Alexander & Alexander Services, an international insurance brokerage and risk management consulting

Job advertisements from Hudson Shribman, including Finance Director Designate, Senior Appointment, Chief Accountant, Finance Manager, Finance Sector, Finance Director, and Project Accountant.

Accountancy Appointments

Financial Controller to £35,000 plus car. Toshiba Information Systems (U.K.) Ltd is a leading supplier of personal computers, copiers, facsimile machines and telecommunications equipment. Arthur Young Corporate Resourcing.

SEEBOARD South Eastern Electricity Finance Director. Excellent salary + benefits. Hove, Sussex. With the onset of privatisation which encompasses a major flotation, South Eastern Electricity are preparing for the important commercial challenges they will be facing.

Finance Management International Real Estate West End. c£25,000+bonus. the fleet partnership. Financial Recruitment Consultants, 37/41 Bedford Row, London WC1R 4JH. 01-831 1101 (24 hours)

Financial Director designate mid Surrey c £35,000 plus car. Our client, a privately-owned group with a turnover of around £13m, manufactures and markets luxury textile products throughout the world.

International Controller Milan Package c £50K. As well as co-ordinating and analysing the reporting, budgetary control and financial planning of the subsidiary companies, the selected candidate will be responsible for implementing homogeneous management accounting systems throughout Europe.

YOUNG CIMA OR ACCA For first Chief Accountant role c.£22,000 Thames Valley. This profitable member of a major successful international group manufactures and sells a range of graphic materials to customers who demand the ultimate in quality.

INTERNATIONAL FUNDS MANAGEMENT

£20,000-£25,000 package Head Office West London

If you're a professionally qualified accountant with an interest in treasury affairs, this opportunity at Glaxochem Ltd could be a major stepping stone in a rewarding Financial Accounting career with the Glaxo Group.

Glaxochem Limited is a major subsidiary of the Glaxo Group of Companies which forms the largest and most successful healthcare company in the UK, and among the largest in the world. The Company is responsible for the manufacture of bulk pharmaceuticals and fine chemicals for worldwide distribution.

As Funds Manager, you'll be responsible for the motivation, direction and development of staff involving sales, purchase ledger and banking, including international currencies.

It's a challenging opportunity that will suit someone in their mid/late twenties, who has gained experience in industry or the profession, with well developed business skills and proven management ability.

In addition to a highly competitive salary, you'll enjoy all the usual benefits of working with a major British company, including an non-contributory pension scheme, 25 days' holiday and the opportunity to share in the profitability of the Glaxo Group. Assistance with relocation will be given where appropriate.

Write or telephone for an application form to:
Roger Phillips, Personnel Services Manager, Glaxochem Limited,
Greenford, Middlesex UB6 0HE. Tel: 01-422 3434 extension 2632.

Glaxo

Glaxochem Limited

Finance Director Property Development

London

c £50,000 + car

An exceptional opportunity has arisen for a mature and experienced chartered accountant to join the UK subsidiary of a highly successful European property group.

The company is spearheading a number of joint venture commercial projects in London and the provinces and currently has a £250m development programme. Substantial growth is expected in the company's activities.

Reporting to the chief executive, the finance director will be required to play a key role in financial control and business planning. In particular, the appointee will be involved in development funding, joint venture negotiations, project cost control and cash flow reporting.

Applicants should be chartered accountants with a background in property or banking. They should possess sound experience in property financing and demonstrate the commercial vision required to contribute significantly to the profitable growth of the company. The personal attributes required to join a small, progressive team include integrity, commitment and first-class communication skills.

The remuneration package, which will include an executive car and benefits, will be negotiable around the figure indicated.

Please send a comprehensive career résumé including salary history and daytime telephone number, quoting ref. 2927, to Philip Nourse, Executive Selection Division.

Touche Ross

Thavies Inn House, 3/4 Holborn Circus, London EC1N 2HB.
Telephone: 01-353 7361.

TAX SPECIALIST

c. £25k + bonus + car

- Europe's largest employee-owned business
- 29,000 employees, mostly shareholders
- 40 operating companies
- 700 locations in the UK and overseas
- £1 billion turnover
- Annual investment currently exceeding £200 million

NFC National Freight Consortium
A Unique Partnership

A tax challenge in a unique organisation...

The National Freight Consortium heads Britain's biggest and most diverse group of freight transport, storage and distribution companies, with substantial property and travel activities and rapidly expanding interests throughout the UK and overseas.

We are also a unique industrial partnership, NFC - which incorporates companies such as Pickfords, BRS and Lymx - is Europe's largest employee-owned business. Our story has been one of extraordinary growth and continued success. A scale of growth which, when coupled with the current complex changes in tax law, means we have an ever increasing need for sophisticated tax management and planning to mitigate tax payments and the charge against the group's profits.

That's why we're looking for an additional senior member of the Tax Department to become a key member of the team that oversees and manages the taxation affairs of this enterprising group of companies. Reporting to the Group Taxation Manager, but working with the minimum of supervision, you will be responsible for negotiation of the tax results of a substantial portfolio of companies direct with H.M. Inspector of Taxes utilising case law as

necessary. Astute and commercially-aware, you will assist each company in developing the most tax-efficient methods of operation, liaising closely with senior financial management. Keeping one step ahead of fast-changing laws, you will also contribute to keeping all relevant personnel in the group, totalling some 100, fully informed of developments as they affect their businesses.

Clearly you will need to be an effective and skilled communicator and a negotiator whose arguments are as convincing as they are well-researched. All in all, it calls for the experience of either a qualified Accountant or member of the Institute of Taxation who has specialised in Corporate Taxation in public practice or industry for at least two years or a Tax Inspector looking for the challenge and rewards of the commercial world.

The generous package includes a profit related bonus (worth up to 30% of salary), excellent pension scheme, relocation expenses and the chance to acquire shares in our highly successful enterprise.

If you are ready to join a unique organisation where success really does go hand in hand with reward, now's the time to put your skills to work with NFC.

Please write with full details of your career and qualifications to:
Mrs Anne Yeomans, Personnel Manager, National Freight Consortium,
The Meriton Centre, 45 St Peters Street, Bedford MK40 2UB.
You can phone the Personnel Dept. for an application form on (0234) 272222.

CHIEF FINANCE OFFICER

London up to £35,000

Following a review of its finance function this new and challenging position has been created by our client, a large public sector organisation in London.

Reporting to the Director of Finance, the Chief Finance Officer will have day-to-day responsibility for the management of a sizeable finance department and will be required to contribute, as a member of the department's senior management team, to the development of financial policies and review and appraise the implications of new projects. There is a substantial staff management responsibility and the role will deputise for the Director of Finance in his absence.

We seek a qualified accountant with several years post qualifying experience ideally gained in the public sector or a service orientated

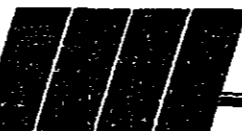
organisation. In addition to first class technical accounting skills candidates will need good communication and interpersonal skills, as well as being excellent managers and administrators. They must be able to set objectives and motivate all levels of staff to achieve them whilst employing a shirt-sleeves approach. Candidates must be confident and level-headed and quickly able to gain the respect of other senior managers in a demanding and constantly changing environment.

In addition to the salary London Weighting will be paid and, where necessary, relocation assistance.

Please write in confidence, enclosing full career details, quoting reference 3875 to Anne Routledge.

KPMG

Peat Marwick McLintock



Executive Selection and Search
9 Creed Lane, London EC4V 5BR.

Royal Insurance (UK) Limited...
investing for the future in people

A Senior Strategic Role in Finance and Planning

c£28K + Car + Executive Benefits

One of the world's largest international insurance companies, Royal Insurance is a major market force providing a vital worldwide service to industry, commerce and the public. Royal Insurance (UK) Ltd is the Group's general insurance company in the UK, with premium income in excess of £1 billion. To maintain our pre-eminent position in an increasingly challenging marketplace, we have recently undertaken a fundamental restructuring of the company. This restructuring has identified a need for an exceptional, forward thinking accountant to join our head office team in Liverpool at a senior level. Part of your remit will be to oversee the upgrading of our expense recording, budgeting and allocation systems as part of your contribution to the process of devolution of profit accountability in the organisation. You will be required to look at this and other projects in a strategic way, producing plans and concepts that will often look several years into the future. You will be responsible for developing our banking strategy, and have control of our central cash management function. You will also

develop the framework within which Area Branches operate credit control policy. This is a high profile position, offering frequent contact with general management. We are seeking a qualified accountant with previous exposure to the management of change and the implementation of new ideas. Probably in your 30's, you will ideally have worked in a management accounting environment and will be a capable strategic thinker, able to provide a powerful personal input and with the capacity to move up rapidly within Royal (UK) or other parts of the Group. The benefits package also includes profit share, mortgage subsidy, non-contributory pension and life assurance scheme, and generous relocation assistance where appropriate. Please write enclosing full cv to: Mr M B Hodgson, Resources Manager, UK Personnel, Royal Insurance (UK) Ltd, PO Box 144, New Hall Place, Liverpool, L69 3EN. Royal Insurance is an equal opportunities employer.



Royal Insurance



Director of International Tax

to £38,000 + Car + Benefits

A market leader in the entertainment field, with a turnover in excess of £150m, our client is young and dynamic with a forward thinking sophisticated approach to the leisure industry.

As part of their continued expansion, they are currently seeking to appoint a high calibre executive for the following UK based position within its service organisation located in Hammersmith.

You will control the formulation of international tax planning for the group's worldwide operations. A recognised professional qualification and wide experience of international tax within a specialist division of a large firm of chartered accountants, or the international tax department of a major group of companies, are essential.

In addition to responsibility for the normal

international tax affairs of the group, there will be considerable exposure to more specific areas, particularly those of formation, acquisition and disposal of entities worldwide. There will be daily US contact and significant involvement with other worldwide operations. The position will also require extensive liaison with the operating management necessitating strong interpersonal skills in the successful applicant.

The remuneration package is excellent and will reflect the seniority of the appointment. Interested applicants should contact Melanie Rosling on 01-831 2000 (evenings/weekends 01-341 4028) or write to her, enclosing a c.v., quoting reference 8826 at the

Taxation Division,
Michael Page Partnership,
39-41 Parker Street, London WC2B 5LH.



Michael Page Partnership

International Recruitment Consultants
London Bristol Windsor St Albans Leatherhead Birmingham Nottingham
Manchester Leeds Glasgow & Worldwide

ALPS

ACCOUNTANCY & LEGAL PROFESSIONS SELECTION LTD

3 London Wall Buildings, London Wall, London EC2M 5PJ
Tel: 01 588 3576 Telex: 887374

Opportunity to become Finance Director in 12-18 months.

FINANCIAL CONTROLLER - MARINE INSURANCE

N.W. ENGLAND

EXPANDING R AND I CLUB

£25,000-£28,000 + CAR

For this appointment, the result of on-going growth and the need to strengthen the senior financial management team, we seek applications from qualified Accountants (A.C.A., A.C.C.A. or A.C.M.A.), aged 28-35. We require a broad professional grounding, including audit and exposure to the particular financial and management accounting requirements of the commercial insurance market place. This will include a good grasp of FX operations and the Treasury function together with the ability to plan and introduce additional computerised procedures. Responding to the Chief Executive and heading a busy department, the successful candidate will be responsible for the development of all aspects of the financial management and reporting of this international group involving consolidations, statutory returns, treasury activities, underwriting and investment policy. These will necessitate continual liaison with external advisors and the marine insurance industry. Essential qualities are a capacity for problem solving, the ability to make an immediate contribution, an imaginative and commercial outlook and the will to build upon success. Initial salary negotiable £25,000-£28,000, car, contributory pension, life assurance, free family medical insurance, permanent disability cover and assistance with relocation expenses. Applications in strict confidence under reference FCM 162/FT to the Managing Director:

ACCOUNTANCY & LEGAL PROFESSIONS SELECTION LIMITED, 3 LONDON WALL BUILDINGS, LONDON WALL, LONDON EC2M 5PJ.
TELEPHONE 01-588 3588 or 01-588 3576. TELEX: 887374. FAX: 01-286 8501.

Group Financial Director

London c£40,000+Car+Benefits

We are acting for a highly profitable Plc with interests in property, insurance and financial services. The group is committed to an ambitious growth rate both organic and through acquisitions.

We are seeking a Group Financial Director, who, supported by a small team will play a key role in the provision of effective financial control and decisive management support in a diverse commercial environment.

Your responsibilities will embrace: group reporting, treasury, performance evaluation and critical involvement in the Group's

future development.

The successful candidate is likely to be a Chartered Accountant, aged 34-44 who must have the ability to make an effective contribution within a profit motivated entrepreneurial environment.

You will be technically competent with good inter-personal skills and have a results orientated approach. Related sector experience is not necessary.

In the first instance please write giving full career details to Jon Anderson ACMA, Michael Page Partnership, 39-41 Parker Street, London WC2B 5LH quoting ref. 510.



Michael Page Partnership

International Recruitment Consultants
London Bristol Windsor St Albans Leatherhead Birmingham Nottingham
Manchester Leeds Glasgow & Worldwide

Controller

Finance and Administration

North East London c£35,000 Package

Our client, an autonomous subsidiary of a substantial European Group, is a fast expanding supplier of specialised products to the building industry. With a turnover approaching £10 million, the Company is now a major force in its field. A Finance and Administration Controller is sought to join a select management team and assume complete control of the support functions throughout the business. Reporting to a Main Board Director responsibilities, in addition to financial reporting and control, will include customer service, computing, warehousing, personnel and company secretarial. The successful candidate will therefore have a substantial impact on maximising both profit potential and the overall development of the Company. To be considered for this unusual opportunity you must be a

qualified accountant, aged 32-40, with a track record of achievement in a commercial operation. More importantly your man management skills, leadership qualities and organisational ability are vital if you are to succeed in this demanding position. On offer is not just an excellent remuneration package, but early promotion to a Board position after successfully establishing yourself in this initial role. If you see yourself as a businessman and not just 'another accountant', and would relish the chance to play a genuinely commercial and broad role in the future of this progressive operation, then write enclosing a comprehensive curriculum vitae and daytime telephone number to Tony Martin, Executive Division, 39-41 Parker Street, London WC2B 5LH quoting ref. 508.



Michael Page Partnership

International Recruitment Consultants
London Bristol Windsor St Albans Leatherhead Birmingham Nottingham
Manchester Leeds Glasgow & Worldwide



MEES & HOPE

A RECENTLY QUALIFIED

FINANCIAL ACCOUNTANT

City £24-£27,000 package plus bank benefits

With 1992 in mind Bank Mees & Hope, a subsidiary of ABN, the largest Dutch Banking Group, is expanding its Securities Business in Europe through its fast growing London office. Staff numbers are likely to have trebled by the end of 1988 and equally aggressive plans exist for continued growth in 1989.

You will be offered the opportunity to become the key financial officer. Relevant experience from stockbroking, banking or securities audit is sought. Future personal progress could be developed through the Securities Dealing or Corporate Finance subsidiaries or other key markets as they are further exploited. A move overseas could be possible if desired.

Your immediate responsibilities will include:

- Monthly reporting to the Dutch corporate HQ.

- Reporting to the Securities Association (TSA) and the Investment Management Regulatory Organisation (IMRO).
- Statutory reporting and audit co-ordination.
- Systems management development.
- Liaison with and occasional travel to Bank Mees and Hope in Holland.

This is a unique opportunity should you wish to pursue a career in finance, and acquire an excellent commercial and regulatory foundation with an organisation on the threshold of significant growth.

If you are interested, please write with full career details, quoting ref M6998, to James Forte. All applications will be forwarded to our client.



Peat Marwick McLintock

Executive Selection and Search
9 Creed Lane, London EC4V 5BR

Finance Management Opportunities

Formed in '86 and jointly owned by the Fiat subsidiary Iveco and Ford Motor Company, we rapidly established ourselves to become the truck market leaders in Britain in 1987. Two challenging management opportunities exist in our Finance activity for professionals with potential to develop their careers even further:

Financial Accountant c £23,000 + lease car

This is a newly created management position based at our head office in Watford reporting directly to the Chief Accountant.

In this key specialist position, created to enhance the professional accounting expertise of our Finance function, you will contribute to the development of the entire Iveco Ford general accounting system in line with best professional practice, ensuring that all legal accounting requirements are complied with, preparing statutory accounts and meeting auditing requirements.

You will be a Chartered or Certified Accountant with significant post-qualification experience in financial accounting, preferably gained in a manufacturing environment. Aged in your late 20's to mid 30's you will be mature and professional in approach, technically sound and able to demonstrate managerial talent.

The need for liaison with the Finance activity in Iveco headquarters in Italy adds a stimulating dimension to both positions. We offer negotiable salaries, choice of a Ford or Fiat lease car, holiday bonus, relocation assistance where appropriate and excellent career prospects.

IVECO TRUCK Please send full personal and career details to Neal Hoggar, Room 34/336, Iveco Ford Truck Limited, Station Road, Watford, Herts WD1 1SR.

Financial Analysis/Accounting Management c £19,000 + lease car

This management position, created by internal career development moves, operates between our manufacturing Plant in Langley near Slough and our head office in Watford.

Reporting to the Finance Manager, you will supervise a department responsible for a broad range of financial activities, including aspects of profit analysis, budgetary control and accounting.

Aged in your late 20's to mid 30's with a professional accounting qualification, you will be able to demonstrate managerial talent and a flair for supervising people. Manufacturing finance experience would be advantageous but is not essential.

Accountant/Finance Controller

London

to £25,000

This highly successful international consultancy firm has a sound and developing presence in the United Kingdom and on the Continent, both divisions operating from an impressive office in the West End. More than 30 people work in the London Office and the growth and planned expansion has created the need for an experienced Accountant to take over and develop the computerised systems. The opportunity would be most suited to a mature and committed individual with relevant experience in the preparation of budgets, monthly and annual accounts and management information. In this relatively small professional organisation there will also be a requirement for a direct control over the purchase and sales ledgers, cash, and day to day accounting activities.

Interested applicants should send full career and personal details to John Overton FCA, Managing Director, Overton Management Selection, 3 Berkeley Square, London W1X 5HG, or telephone 01-408 1401 for an application form, quoting reference 12/1143.

OVERTON MANAGEMENT SELECTION

Financial Package Expert

Use your implementation experience in a challenging Management Consultancy Environment

London based
up to £30,000 + car

Price Waterhouse is a leading international business advisory and management consultancy organisation. We provide independent advice and assistance to a wide range of companies across all industry sectors. As market leaders in IT consulting we conduct a variety of assignments including: strategy and planning; hardware/software selection; systems investigation, development and implementation.

Continued expansion at over 20% each year has resulted in the need to recruit additional specialists to provide technical support and information services to our clients and consultancy staff.

- Liaison with package suppliers
- Evaluation of products and maintaining market information
- Support for package implementation and training
- Developing technical bulletins and arranging presentations.

We offer a genuine opportunity to develop your career working closely with other business professionals, using respected methodologies and the latest techniques and technologies. There will be ample scope to get involved in research or project work and prospects to move into a broader consultancy role. We are seeking high calibre individuals

- who meet the following criteria:
 - A professional background or qualification in accounting, IT or computer services
 - Age range late 20's to mid 30's
 - Solid experience in the selection and implementation of financial packages
 - A knowledge of mini based accounting systems, preferably IBM or DEC
- If you have the analytical and interpersonal skills to thrive in a challenging environment please write, in confidence, with full career and salary details quoting reference: MCS/8901 to: Jane Comben Price Waterhouse Management Consultants No. 1 London Bridge London SE1 9QL

Price Waterhouse

YOUNG ACCOUNTANT

Duchy of Cornwall

c£25,000 + car + benefits

The Duchy of Cornwall owns agricultural and commercial properties primarily in the South of the country. As part of its strategy, it is continually improving the quality of the property portfolio, reinvesting in better quality land and buildings as its existing holdings are rationalised. Alongside this development, the Duchy is enhancing its systems to manage and monitor more efficiently the performance of its portfolio.

The Secretary of the Duchy is responsible for the overall administration of the organisation. Based in London, the young accountant will be part of the Secretariat and will be responsible for the majority of the financial function. Supervising a small department, he or she will prepare, review and present information, develop systems and contribute towards the management of the Duchy and its commercial interests.

In their mid to late 20s, applicants should be qualified accountants with post qualification experience gained in commerce or the profession.

Please write, enclosing a career/salary history and daytime telephone number, to David Hogg FCA quoting reference H/706/KF.

LLOYD MANAGEMENT Selection Consultants 125 High Holborn London WC1V 6QA 01-405 3199

a creative commercial opportunity...

OPERATIONS REVIEW

London

to £30,000 + car

The market leader in its fast changing service sector, our client is a high profile, innovative and rapidly expanding autonomous subsidiary of one of the UK's best known groups.

After recent rapid growth it has created a new position within its central financial control team. The brief is to set up and manage a unit which will critically review and appraise its financial and management controls and reporting functions, communications, business efficiency and customer service.

A vital control and development role, it will provide a full insight into all aspects of this competitive business during a period of further acquisitions, reorganisation and large scale systems development. It will provide ideal grounding for career progression at the centre or into a region.

Applicants should be commercially aware qualified accountants, preferably aged late 20s/early 30s, with audit or systems experience and the strength of character, initiative and ability to communicate freely and effectively at all levels and influence change and performance.

Please write with full career details or telephone David Tod BSc FCA quoting reference D/729/LF.

LLOYD MANAGEMENT Selection Consultants 125 High Holborn London WC1V 6QA 01-405 3199

LLOYD MANAGEMENT

FINANCIAL CONTROLLER

West London to £26,000+car

Our client is a subsidiary company of strategic importance within a multinational US/UK corporation involved in providing highly sophisticated services and products around the world. The company negotiates and coordinates the timely, reliable and profitable performance of major contracts.

The Controller is responsible to the Finance Director for producing monthly management accounts, monitoring cashflow/budget performance, liaising with and producing information for

managers throughout the group, handling treasury and tax matters and carrying out ad hoc projects as they arise.

Applicants should be graduate chartered accountants, capable of working under pressure and on their own initiative. They must be good communicators, computer literate and eager to pursue a career in a multinational group in which they can look for excellent progression prospects. Please write in confidence, with full career and salary details, quoting reference 13883, to John W. Hills.

KPMG

Peat Marwick McLintock

Executive Selection and Search
9 Creed Lane, London EC4V 5BR.

GRANADA TV & VIDEO

Granada TV & Video is one of the UK's largest and most powerful television and video rental companies. Their market share is now in excess of 45% following the acquisition of the Visionhire chain. Their turnover exceeds £600 million with over 800 'High Street' locations.

Granada is now rapidly expanding into new business areas including retailing through its existing chain of stores. To manage these changes they now wish to make two key appointments to the Senior Management Team based in Bedford.

Chief Accountant c£25,000+Car

This demanding position will have responsibility for all aspects of:

- * Financial reports and statutory accounts.
- * Asset management.
- * Development of EDP systems.
- * Staff management.

Applicants should be qualified Accountants, aged 26-35 who should possess strong communication skills and an intelligent approach to problem solving. These positions afford generous negotiable salary packages with excellent prospects for progression within this dynamic organisation. Interested applicants should contact Richard Wright, Michael Page Partnership, Centurion House, 136-142 London Road, St. Albans, Herts AL1 1SA.

Internal Audit Manager c£25,000+Car

This high profile role will have total responsibility for:

- * Development and management of audit programmes.
- * Special investigations.
- * Preparation of departmental plans, budgets, etc.
- * Staff management.



Michael Page Partnership

International Recruitment Consultants
London Bristol Windsor St Albans Leatherhead Birmingham Nottingham
Manchester Leeds Glasgow & Worldwide

Financial Controller

Tyne and Wear

c. £20,000 + Bonus

Our client is a successful and rapidly expanding electronics company which, as European leader in its field, is entering an exciting stage of product development and market growth. The company has doubled its turnover during the last two years to £20m and this profitable growth is forecast to continue. State-of-the-art technology in design, development and production is matched by its commitment to capital investment. With applications in the computer, defence and telecommunications industries total quality is a key success factor.

With the emphasis on profit forecasting, strategic planning and asset management the post offers an exceptional opportunity to provide a creative input to the decision making process and, as a member of the management team, support the company's expansion plans. In addition to the usual range of financial and company secretarial activities, including pension and

personnel administration, further refinement of accounting systems gives scope for exercising originality and innovation.

Reporting is to the Commercial Operations Director, who has recently been promoted from this post to a general management role, and will retain an advisory brief.

There are excellent career prospects for a qualified accountant, with a good honours degree, and experience in a fast-moving manufacturing industry. Ideally aged in their late 20s candidates must have the initiative, drive and communication skills to justify a salary of c£20K + bonus, BUPA and relocation expenses where necessary.

Please write in confidence with full career, personal and salary details quoting reference R. 171 to: Derran Sewell, Corporate Resourcing, Arthur Young Management Consultants, Northam House, 12 New Bridge St West, Newcastle upon Tyne NE1 6AD.



Arthur Young Corporate Resourcing

A MEMBER OF ARTHUR YOUNG INTERNATIONAL

Group Financial Controller

Cheltenham

c£25,000 + bonus
+ Car

Our client is a young and dynamic group of companies committed to rapid expansion by both acquisition and organic growth. The business already includes motor distribution and servicing, engineering, plastic moulding, and arable farming. Across all divisions the highest professional standards are rigorously applied. Although still a private company, ample funds are available to expand the group. Turnover is projected at £10m, and there are about 80 staff.

There is now a need to recruit a Group Financial Controller. This is a new position reporting to the Group Finance Director. The wide responsibilities include statutory, financial and management accounts, trouble shooting, treasury, staffing, budgets, systems and supervising a small accounts section.

You should be a graduate qualified accountant with "Big 8" experience and have an excellent academic and professional record combined with proven interpersonal skills. You should be seeking an opportunity to take early responsibility and capable of acting on your own initiative. You will probably be aged 27-32 with a good working knowledge of computer systems and at least three years post qualifying industrial experience.

Please reply in confidence, giving concise career and salary details and a daytime telephone number, and quoting reference 1548 to: Geoffrey Rutland ACA ATIL, Executive Recruitment Division, Binder Hamlyn Management Consultants, 8 St Bride Street, London EC4A 4DA, or call him on 01-583 3303 (office) or 01-878 8395 (home).

BinderHamlyn
MANAGEMENT CONSULTANTS

Young CA for CAREER ROUTE TO FINANCIAL CONTROLLERSHIP

Major UK plc

package negotiable
c £25,000

financial SELECTION SERVICES

Our client, a leader in the international marketing of high quality branded consumer products, has achieved its success through an innovative approach to product development coupled with a clearly conceived acquisition strategy.

Continuing success has resulted in an opportunity for an ambitious accountant, to become a key member of its head office financial management team.

As number 2 to the Group Accounting Development Manager, this important role will involve acquisition studies, the enhancement of financial management systems and the opportunity to make a significant contribution to the direction of the business, through extensive liaison with senior operational management.

The appointment offers an ideal career entry point into a prestigious multi-national group. You will have scope to progress either into the financial controllership of a subsidiary company or within the central London corporate headquarters.

The ideal applicant will be a graduate newly/recently qualified Chartered accountant, who has preferably trained with a top 8 accountancy firm. You will have a professional approach, excellent communication skills and the ability to work effectively in a demanding and stimulating environment.

For further details and a confidential discussion please call Shirley Knight on 01-387 5400 (out of hours 01-261 1245) or write to her at Financial Selection Services, Drayton House, Gordon Street, London WC1H 0AN.

THE FUTURE IS FINANCIAL

These are exciting times at Courage Ltd, part of the International Elders IXL Group.

While competition among brewers has never been tougher, our commitment and ability to compete has never been stronger - more efficient operations mean we not only maintain our healthy market share, but expand it and move ahead of our competitors.

We are achieving this through the reorganisation of our management priorities to reflect the growing influence of sound financial accounting and planning structures on profitability.

Progressive and ambitious financial professionals would obviously find plenty of scope here.

Financial Accountant - Staines to £23,000 + car

Working for the Take Home Trade Division (turnover £84m), you will ensure that senior management receive accurate, informative and timely accounting analysis. You will also need to contribute to the development of better financial awareness throughout, and will participate in setting the annual review budget.

You'll need recognised accountancy qualifications (ACA, ACCA, CIMA), man-management skills and an

interest in helping others develop. A working knowledge of sales, general and purchase ledgers is important, as is sufficient flexibility to cope with Management Accounting and analytical projects as required.

Financial Analyst - Staines to £21,000 + car

Aged at least in your mid 20s, you'll need some analytical work experience, including report preparation and making and implementing recommendations. You will be responsible for financial analysis across a variety of disciplines within the production and distribution functions of Courage nationwide. You can count on plenty of variety and challenge, and you'll need ACMA/ACCA qualifications, good analytical skills and a creative approach.

Salaries are backed by the comprehensive benefits package you would expect from an international company. And, of course, career opportunities are excellent within an organisation of our stature.

Please write with full cv to Mrs Diana Chidzey, Personnel Officer - Recruitment, Courage Limited, Ashby House, 1 Bridge Street, Staines, Middlesex TW18 4TP.



COURAGE

EST 1787

GROUP FINANCIAL DIRECTOR

North England c.£35,000 + bonus + car

Our client, a rapidly expanding and profitable UK Group engaged in manufacturing, contracting and distribution requires a young, aggressive and professional Group Financial Director.

With total responsibility for the financial and treasury functions, your immediate objective will be to improve the quality of financial management reporting and control. You will also be expected to contribute to the Group's strategic direction and will be actively involved in the financial assessment of new ventures and acquisitions.

Applicants must be qualified chartered

accountants with several years' senior management experience in a complex business environment. In addition to high technical competence and excellent interpersonal skills, you must have the commercial awareness necessary to make an early contribution to the continued expansion of the Group.

This key position carries a salary of about £35,000, enhanced by a performance-related bonus and executive car.

Please write in the strictest confidence with a career history, including details of your present salary to Peter Evans, quoting reference S1009.

KPMG

Peat Marwick McLintock

Executive Selection and Search
7 Tib Lane Manchester M2 6DS

Divisional Financial Controller

Central London

c.£32,500 + car

This multinational service organisation, headquartered in London, has created a new position in response to recent growth and in anticipation of exciting plans for future development.

As part of the senior management team, you will be responsible for controlling the financial and data processing functions of a major division within the group, with a turnover of £25m and employing some 400 staff. Reporting closely with the Divisional Chief Executive, you will play a major role in providing effective financial and management information and advice, preparing business plans, and managing the continued development of the computerised

accounting systems. You will also be expected to contribute to financial strategy and policies.

Managing a small department, this position will entail monitoring and reviewing the operations and financial performance of the business activities in the UK, and ensuring conformity to corporate targets and standards. You will advise and interface with management at all levels within the group.

A Chartered Accountant aged 28-35, with strong communication skills, you have gained sharp and demanding management experience in a fast moving, demanding environment.

To apply, please send cv, indicating current salary, to Fiona McMillan, Ref: 2274/ FM/FT.

PA

PA Personnel Services

Executive Recruitment - Human Resources Consultancy

Hyde Park House, 60a Knightsbridge, London SW1X 7LE.
Tel: 01-235 6060 Telex: 27874

Handwritten note: 5/26/88

Financial Planning & Control

c.£26,000 & Banking Benefits

This group is a major force in the financial services industry with a powerful national structure in the UK. It occupies leading positions in several large sectors which range from merchant banking to personnel services and also has important overseas interests.

The Financial Planning & Control group is a small, highly qualified team which operates from the corporate centre. It is concerned with the economics of the business, their performance and sensitivity. Its terms of reference cover the review of corporate and sector strategies, business plans and budgets; monitoring and review of actual performance; key analyses of profitability, risk, pricing, new product and business proposals etc, and the evaluation of capital expenditure.

As a result of internal promotions the Group wishes to fill two key vacancies with accountants who have experience of or exposure to the financial services/banking sector gained either in the profession or directly in another financial services organisation. Sound analytical and presentation skills are an important requirement. There are excellent prospects of promotion from the initial role. Location—City.

Please reply in confidence quoting ref L365 to:

Brian H Mason
Mason & Nurse Associates
1 Lancaster Place, Strand
London WC2E 7EB
Tel: 01-240 7805

Mason & Nurse
Selection & Search

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AUDIT MANAGER

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c.£30,000 + bonus, car and concessionary mortgage

Your expertise in audit management has an important place in the future of the Abbey National Building Societies as required by law to have particularly stringent systems of control and documentation and as our business develops and diversifies, audit issues have become increasingly complex. We therefore require a further senior manager to report to the Chief Internal Auditor.

You will manage the work of a section of the Internal Audit department and will be expected to set and review standards for audit work throughout the Department. In addition you will be closely involved in issues relating to proposed developments by the Abbey National and also be expected to represent the Society on Internal and External bodies.

This role, which offers enormous scope for development, would suit a fully qualified professional accountant, with considerable man-management experience in

the audit function of a large organisation. At least 4-5 years' post-qualification experience is essential.

The salary offered is supported by excellent benefits including a low cost pension scheme, concessionary staff mortgage, incentive bonus scheme, relocation assistance, where appropriate and fully expensed car.

If your experience is suitable for this challenging and highly visible role, please send a full cv to Mr Bill Whitehead, Abbey National Building Society, Abbey House, Baker Street, London NW1 6XL.



AMBITIONOUS COMPANY ACCOUNTANT

RICHMOND-UPON-THAMES c.£28,000 + CAR + BENEFITS

ECS is a leader in the field of IBM computer rentals and a subsidiary of Societe Generale, one of the world's largest banks.

Since 1986, when the Company started trading in the UK, it has achieved an annual turnover in excess of £50 million and further rapid growth is anticipated.

In order to manage and sustain this exceptional situation, the Company requires a first class financial manager. Such a person should have a very commercial approach, excellent accounting skills and the ability to manage a growing department. Apart from the day-to-day running of the department, duties will encompass development of management reporting, budgeting, forecasting and treasury matters. The scope of the position will be limited only by the holder's ability and ambition. Familiarity with computer-based systems is required and a knowledge of leasing in general would be an added advantage.

Candidates, probably aged around thirty, will need a high level of commitment to ensure the success already achieved can be built upon. In return, the Company offers an excellent remuneration package and exceptional prospects for career development.

Detailed career resume, including salary history, and accompanied by a letter stating why you feel you should be considered for this position (marked "Private & Confidential"), should be sent to:

G E Wigram, FCA
ECS International UK Limited
Eton House, 18/24 Paradise Road
Richmond-upon-Thames, Surrey TW9 1SW

Financial Controller

Chelmsford

£30,000 + car

Mobile telecommunications have experienced a phenomenal rate of growth over the last few years that are certainly forecast to continue into the future. Our client is a major blue-chip electronics manufacturing and service plc that is currently making a multi-million pound investment to open up a new mobile telecom network.

As a direct result of this new business division a Financial Controller is now sought to be responsible for the total set-up of accounting controls and disciplines. The role will demand a strong emphasis on liaison with all facets of the business and top management to get this exciting new venture moving at a fast pace.

Candidates should be qualified accountants, age indicator 30 - 35, who

can generate a positive contribution within a high growth function and be able to accept the challenge of a high profile role. There are excellent career prospects within the group and relocation assistance will be provided where appropriate.

Please write or telephone enclosing a full resume quoting ref: 217 to:

Philip Cartwright FCMA,
97 Jermyn Street,
London SW1Y 6JE
Tel: 01-839 4672



FINANCIAL SELECTION AND SEARCH

Hoggett Bowers

Executive Search and Selection Consultants
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Finance Director

East Midlands, £35,000, Quality Car, Share Option Scheme

My Client is looking for a Finance Director who will make a major contribution to policy and strategy in a fast growing, highly profitable independent Company, specialising in electronic communications systems for civil and defence applications.

A qualified accountant, with treasury and export experience, you must have operated at a senior level in a successful company, be a capable manager and forward thinking.

This is an excellent career opportunity which will give you the challenge and excitement derived from the fast moving operation having strong financial links with the City. The package consists of a high basic salary, success related bonus, quality car, relocation assistance, if necessary, to an area where an excellent quality of life can be maintained.

M.R. Martin, Hoggett Bowers plc, 13 Frederick Road, Edgbaston, BIRMINGHAM, B15 1JD, 021-455 7575. Ref: B12035/FT.

Senior Management Accountant

Engineering
Kent, c.£18,000 - £24,000, Car

The company, part of a substantial international group with an international reputation in its field, has a current turnover of £25m with over 400 staff. Reporting to the Financial Director, the successful candidate will take full responsibility for the cost accounting function including 4 staff, the emphasis of the job being costing, budgeting and financial modelling, together with management accounts analysis. Age is not of critical importance but applicants must be fully qualified, preferably ICMA, with a good systems and costing experience and they will need to demonstrate an analytical and practical approach to the problems of a manufacturing environment. A significant investment programme and increased focus on each key business sector is resulting in solid overall growth and it is planned that in due course the successful candidate will take over some of the Financial Director's responsibilities. The normal large company benefits are offered together with a relocation package where appropriate to this very attractive location.

M. Stein, Hoggett Bowers plc, 1/2 Hanover Street, LONDON, W1R 9WB, 01-734 6852. Ref: H17042/FT.

These positions are open to male or female candidates. Please telephone for a Personal History Form to the relevant office, quoting the appropriate reference.

FINANCIAL ACCOUNTANT

LONDON W1

ATTRACTIVE SALARY + CAR



TAYLOR WOODROW PROPERTY is a wholly owned subsidiary of one of the UK's most prestigious construction groups. The Company is exhibiting continuing growth in all aspects of its activities (which includes retail, office, industrial and residential property), and has a very active current development programme world wide.

As a consequence of this growth they now have a requirement for a young qualified accountant to join their head office team in London. The prime area of responsibility will be to handle all accounting matters relating to a number of subsidiaries and joint venture partners. The person appointed will also supervise two sections of a busy accounts department. Ability to understand and improve systems will be important in a company which is committed to development of its commercial results.

This position will offer high quality commercial experience in a thoroughly professional environment and would be ideal for someone making their first or second move from public practice. Interested candidates should telephone Gordon Montgomery on 01-629 8863 for further details or send CV to the address below.



RECRUITMENT CONSULTANTS
BOND HOUSE, 19-20 WOODSTOCK ST, LONDON W1R 1HF
Tel: 01-629 8863

The Neste (UK) group comprises a number of subsidiaries providing a variety of services to Neste Oy, the largest Finnish multinational corporation. Based in Helsinki, Neste Oy has world-wide interests in oil, chemicals, shipping and batteries. Neste (UK) Ltd is currently seeking a:

FINANCIAL MANAGER

(CENTRAL LONDON)

The group seeks a commercially-orientated Financial Manager to join a small management team. You will report directly to the Managing Director and will supervise a small well-motivated accounts department. Your responsibilities, among others, will include supervision and preparation of statutory and management accounts, monitoring and improving management information systems plus assisting the Managing Director with a variety of projects. A knowledge of exploration accounting would be helpful for this position.

The position calls for a young, qualified Chartered Accountant with good management skills and the ability to adapt to new situations. You must be capable of working under pressure and communicate well.

The salary and benefits package will be dependant upon the ability and experience of the individual.



Please reply in writing by 6th June 1988, enclosing a cv, stating your salary requirement to:
Mr Per-Erik Wallgren, Neste (UK) Ltd,
30 Charles II Street, London SW1Y 4AE
Telephone: 01-930 7333

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Consequently they can offer a dedicated professional like yourself the perfect foundation for a solid and rewarding future. Variety will be the keynote. Responsibilities will span everything from statutory accounts and management reporting to cash-flow forecasts and control of ad-hoc projects. Additionally, you will deputise for the Divisional Accountant, therefore excellent communications skills are required.

A mature, systems literate, qualified accountant, you will be seeking a responsible, challenging position within a stable organisation that offers broad scope for career development across the group.

The excellent remuneration package includes a competitive basic salary and a comprehensive range of benefits, including mortgage subsidy.

Write, with full CV and daytime telephone number, to Patrick Donnelly, quoting reference FT/021.



314/316 Vauxhall Bridge Road, London SW1V 1AA.
Tel: 01-828 2273.

MANAGING DIRECTOR DESIGNATE

ELECTRONICS INSTRUMENTATION COMPANY

Our clients founder and Managing Director, wants to develop other interests after 12 years of very active involvement in the Company.

We are looking for a financially orientated Managing Director designate with a "hands-on" approach, to manage and develop the Company. Probably aged between 38 and 48 the successful applicant will be given a generous profit related package.

Our Client
Instrumentation niche Market Experts
Market Leader

Sales £3m +, 70 staff based South East Asia
Two overseas subsidiaries in USA and SE Asia
High proportion of skilled professional staff
Profit potential £0.5 to £1m

The Applicant
Electronic, or Electronic, or Electronic Instrumentation Experience
Will not accept 2nd best
Presently managing a similar, or larger, organisation
Familiar with currency planning and long distance management
Keen intellect and able to handle these skills
Strong profit orientation and result driven

If this interests you, please write in confidence, in your own hand and enclose a (typewritten) CV to:
TESSLER TRADE INFORMATION, 92 CROMWELL GARDENS, LONDON SW7 4AX

Financial Management Major PLC

£26-£30,000 p.a. + car & excellent benefits

Our Client, an International Trading Group with a major presence in UK Retail and Wholesale sectors, wishes to recruit a young qualified accountant with professional or commercial experience since qualifying, to work on Corporate Finance initiatives. The post plays a leading role in a small, high level team handling Group Treasury, Property Investment, Tax Planning and Project Evaluation.

Candidates minimum age 26, who need to have the ability to work with commercial management and the talent to translate ideas into practice, will ideally have had experience in a multifaceted organisation corporate finance function or professional exposure to such a department.

The position provides an ideal proving ground for further moves in both finance and general management. Apply in confidence, stating exactly how you meet our client's requirements to Hamilton Howatt FCA, ERP International, 310 Chester Road, Hartford, Northwich CW8 2AB quoting Ref 528. Both men and women may apply.



Group Finance Director

Cardiff Area
c.£40,000 + benefits

Our Client, a newly formed Group, operates nationally on a multi-site basis, and is the market leader in its sector of the timber industry. Turnover is around £50m. The Group plans a full Stock Exchange listing in 1989.

The Group Finance Director will spearhead the flotation; play a leading role in the management of the Group; and make a major contribution to its business strategy.

Candidates will be professionally qualified accountants with significant experience in manufacturing industry, and the use of modern computer based MIS. Experience at board level in a medium sized plc will be useful, but if operating at a lower level in a larger organisation, you will have had exposure to the City and its institutions.

Above all you will be energetic and inquisitive and have developed very good people skills.

An attractive compensation package is being offered and future prospects are excellent for the right person. Please apply enclosing C.V. and quoting 5045 to BBI Barclay, P-E Inbucon Ltd, 34 Grosvenor Gardens, London SW1W 0DH.



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AUTOMOBILES PLC.,
c/o Bloomer Heaven & Co., Post & Mail House,
Colmore Circus, Birmingham, B4 6BG.

Financial Controller

City

to £45,000 + Mortgage + Car

Our client, the merchant banking arm of a major British Financial Services PLC, is seeking to recruit a Financial Controller.

Reporting to the Finance Director, this position will provide an outstanding opportunity to contribute to the development of this relatively new venture. The Bank has ambitious plans to build on its success to date and the Controller will be a key figure in the senior management team. Primary tasks will be to supervise the implementation and development of sophisticated financial control and management information systems. Your technical background and expertise will enable you to develop the financial area into a smooth running and highly respected part of the Bank.

Candidates will be graduate accountants, probably in their early thirties and with a proven track record in senior financial management, ideally in a financial institution.

MANAGEMENT SELECTION

Essential characteristics include drive, ambition, well developed interpersonal and management skills and a strong commercial approach.

Interested candidates who meet this demanding specification should write enclosing a comprehensive curriculum vitae and daytime telephone number, quoting Ref. 241, to Philip Rice MA, ACMA, Whitehead Rice, 295 Regent Street, London W1R 8JH. Tel: 01-637 8736.

Whitehead Rice

Build for your Future

South London Mid 20's c£22,000 + Bonus + Car

AS A RECENTLY QUALIFIED ACCOUNTANT your up-to-date technical knowledge and skills are highly marketable and are sought after by many prospective employers. How then do you decide which one to choose? The most important facts to be taken into account are the job content and the opportunities for future career development. We believe that this vacancy will satisfy your most ambitious expectations in these areas. Our clients are a dynamic retailing group and part of a 'Blue Chip' international organisation offering many and various paths of rapid promotion for people (male/female) of proven ability. The initial tasks are wide ranging and provide experience of developing and implementing advanced reporting techniques and supporting systems for a senior management team which is financially literate. Moreover, the job involves working closely with the Financial Controller and therefore being close to the decision making process. Precedents suggest a line appointment in 1-2 years time. Ref. 1483/FT. Write or telephone for an application form and a preliminary discussion or send full details (with daytime telephone number and present salary) to R.P. Carpenter, FCA, FCMA, ACIS, 2-5 Old Bond Street, London W1X 3TB. Tel: 01-493 0156 (24 hours).

Phillips & Carpenter
Selection Consultants

Director of Finance and Administration

c £40,000 equivalent & benefits
Monte Carlo



Bjorn Borg Design Group is a new and exciting business concept. Founded by Bjorn Borg and a number of his business advisors, the group aims to develop commercial opportunities in visual applications, such as leisure and sportswear, fragrances and designer goods. Already a well established international trademark the group's current plans include a global network of franchised retail outlets supported by extensive regional licensed manufacturing sites.

The job of Director of Finance and Administration is a newly created position, reporting directly to the group Chairman. Based in Monte Carlo, the

post holder will join the senior management team and assume responsibility for worldwide financial control, budgeting, MIS development and staff. With offices already set up in the USA, Far East and Europe this is an outstanding opportunity to join a young dynamic, personality oriented design group.

Ideally, the successful candidate will:

- Be a degree qualified Chartered Accountant
- Be aged mid-late 30s
- Be 'Big 8' trained
- Have a successful and demonstrable track record in senior financial

management in a dynamic industrial sector

- Have extensive experience of computerised accounting systems. Other experience should include an awareness of treasury management and tax planning issues within a multi-national business.

Candidates with an MBA and second language (French and/or Swedish preferred) will be looked upon favourably.

This is a rare career opportunity to join a new international business venture. We are only interested in speaking to individuals who have an

entrepreneurial outlook, sound business acumen and are self-reliant professionals.

The rewards for this job are excellent, and include a tax free salary, full benefits and relocation package, and the opportunity to earn an equity holding in the group.

Those interested should write enclosing a full CV and salary history quoting reference MCS/1047 to: Michael Madgwick Executive Selection Division Price Waterhouse Management Consultants No. 1 London Bridge London SE1 9QL

Price Waterhouse

Management Accountant

City of London, To £25,000

The International Stock Exchange has expanded dramatically over the last 18 months and with it the wide range of services it provides to the world's financial markets.

Would you like to join:-

- * A fast developing international organisation
- * A highly committed finance team
- * An environment where high technology products are under continuous development



Are you:-

- * Qualified, preferably in your 20's?
- * Articulate, confident and personable?
- * Technically and analytically strong.

Strong financial control and accountability play an increasingly important role. Do you have the right skills to advise line managers on the financial management of their resources and to develop these services to meet changing demands?

If you can answer yes to the above questions then write to K.A. Carroll, Hoggett Bowers plc, 1/2 Hanover Street, LONDON, W1R 9WB or telephone 01-734 6852 for a Personal History Form quoting Ref: H25009/FT.

Hoggett Bowers
Executive Search and Selection Consultants

BIRMINGHAM, BRISTOL, CAMBRIDGE, CARDIFF, GLASGOW, LEEDS, LONDON, MANCHESTER, NEWCASTLE, NOTTINGHAM, SHEFFIELD and WINDSOR
A MEMBER OF BLUE ARROW PLC

Corporate Audit Manager

London-Based
c.£30,000 + Car + Financial Sector Benefits

Aetna Life and Casualty was founded in the United States in 1853 and is now one of the world's largest financial services groups, ranking amongst the 15 largest US corporations. Aetna has been actively growing its international operations and UK funds under management are in excess of £400 million in less than three years. Exceptional growth demands exceptional people and we are now looking for a highly-motivated professional to share the enthusiasm and dedication of our newly-established International Audit team.

Reporting to the US-based International Audit Director, you will develop and implement an annual plan for UK and UK-managed offshore operations consisting of financial and operational audits. You will monitor new or changed organisational structures, data processing systems and produce services to determine their financial and operational impact on current and future business strategies.

To be in the running for this new appointment, you should be a qualified accountant with internal auditing experience, preferably in the insurance or financial services sector. Since you will be interacting with all levels of staff and senior management, you will need a unique blend of tact, integrity and tenacity, as well as excellent verbal and written communication skills. It is therefore unlikely that anyone under the age of 28 will have sufficiently developed interpersonal skills to succeed in this appointment. Linguistic ability in Spanish and/or Portuguese and knowledge of US-GAAP would also be useful.

The rewards will be a starting salary of around £30K, an executive car, subsidised mortgage, non-contributory pension, life assurance and family BUPA. Future promotion prospects are excellent and your next move could well be into an operational role. If you believe we should be talking to each other, tell me in a short letter, the management skills and expertise you can bring to our organisation. You should also enclose a full c.v. together with a note of your present remuneration package.

Please apply in confidence to Jill Corradi, Director, Human Resources, Aetna International (UK) Limited, 401 St John Street, London EC1V 4QE.



European Treasury and Finance Manager

Central London Up to £35K + Bonus + Benefits

With a worldwide turnover of over £300 million, our client is one of the leading manufacturing companies in its sector. The company is one whose recent growth has been dramatic, and future plans are impressive based on strategic acquisition and investment.

Treasury and Financial Management in this environment is, of course key to their expansion and this European role will provide the successful candidate with unrivalled personal prospects.

Co-ordination of all European treasury, accounting, tax and statutory financial reporting provides the basis

of the responsibilities. However, there will also be involvement with special projects including mergers and acquisitions.

To make the most of this highly autonomous role within a decentralised Group, you must be a Chartered Accountant with a substantial corporate treasury background. Anyone under 30 will probably not have the necessary experience or maturity.

To find out more about this exciting opportunity please telephone Tony Martin on 01-831 2000, or write to him enclosing a comprehensive curriculum vitae and daytime telephone number to the Executive Division, 39-41 Parker Street, London WC2B 5LH, quoting reference 509.



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CLEANAWAY

A GKN-Brambles Enterprise

Divisional Commercial Manager

Knutsford, Cheshire

c £24,000 + car

We have been instructed by Cleanaway Limited, Britain's largest Waste Management Company, to advise on the appointment of a Commercial Manager for its Northern Division.

Working alongside the Divisional Director, this is a key role in the financial management of a major division of the Company. In addition to the interpretation of financial and management information, the Commercial Manager will also be responsible for acquisition reviews, profit improvement studies and assisting with the introduction of new computer and administrative systems.

Applicants aged 26 to 35 should be graduate accountants with broad experience gained in a multi-site environment, ideally in a service industry.

The Company offers an excellent benefits package and good prospects for advancement in this fast developing and important industry.

Interviews will be conducted in Manchester and London. Please write to Michael Ping enclosing career details and current salary, quoting reference C2043, at Executive Selection Division, Grant Thornton Management Consultants Limited, Grant Thornton House, Melton Street, Euston Square, London NW1 2EP.



Grant Thornton
Management Consultants

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Handwritten note in Arabic script.

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SECTION II - COMPANIES AND MARKETS

FINANCIAL TIMES

Thursday May 26 1988

Hunting Gate

DEVELOPMENTS

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AT&T chief denies new Olivetti rift

BY ALAN FRIEDMAN IN MILAN AND RODERICK ORAM IN NEW YORK

MR ROBERT KAVNER, president of the data processing equipment division of American Telephone & Telegraph (AT&T), last night poured cold water on reports of a new rupture in the US telecommunications group's alliance with Italy's Olivetti.

Mr Kavner sought to downplay comments made in Madrid on Tuesday by Mr Robert Allen, AT&T's chairman. Mr Allen said AT&T and Olivetti were "re-looking" at the relationship and added that the US group may curtail its purchases of Olivetti personal computers in future.

Speaking from New Jersey, Mr Kavner last night admitted that

the two companies are reassessing the relationship, which began in late 1983 when AT&T became Olivetti's biggest shareholder. But he called reports of a demise in the alliance "totally distorted and way out of context" and said there were no current plans to reduce purchases from Olivetti.

"I am president of this business and I am spending a lot of my time working with Vittorio Cassoni on improving our joint product offering," he said, referring to his immediate predecessor at AT&T who earlier this month returned to Italy to take over as group managing director of Olivetti.

The alliance between Olivetti

and AT&T is being managed "in a very constructive way and without animosity," Mr Kavner added.

The AT&T executive did admit that the sale of Olivetti personal computers in the US had been hit by the dollar-lira exchange rate, which "is putting pressure on our margins, especially as prices in the world market have come down dramatically." One of the subjects being discussed with Olivetti was "how we can keep the landed cost in the US down so that we have respectable margins."

Mr Carlo De Benedetti, Olivetti chairman, last week forecast 1988

sales of more than 120,000 Olivetti personal computers to AT&T, against 44,000 last year. The Olivetti chief also said that whereas AT&T was needed in 1983, the Italian company today no longer needs a global partner. Mr Kavner sought to gloss over this point, saying he was "working to make this marriage better."

As to Olivetti's current preference for an advanced microprocessor computer standard being prepared by Motorola, a major rival to AT&T, Mr Kavner said "we would obviously like them to choose our Sparc system, but I have not had any substantive talks on that subject."

Farley to buy stake in West Point Pepperell

By Anatole Kalotzky in New York

WEST POINT-PEPPERELL, the leading US textile company, which last month won a bruising takeover battle to acquire J.P. Stevens, one of its biggest competitors, was itself put "in play" yesterday.

The company announced that Farley, a privately held conglomerate one of whose products is Fruit of the Loom underwear, had notified its intention to buy between 15 to 25 per cent of West Point's common stock.

Although arbitrageurs were not sure how seriously to take Farley's notification, which was made under the Hart Scott Rodino anti-trust Act, West Point stock jumped \$4, or 13 per cent, to \$35 1/2 immediately after the announcement.

Hart Scott Rodino notices are theoretically required whenever one company buys more than \$15m worth of stock in another for purposes other than passive investment.

After the notice is filed, the bidder has to observe a 30-day waiting period before acquiring extra shares. In practice, however, bidders often accumulate stakes of around 5 per cent in their target companies before making any formal announcement.

They can do this without breaching the Hart Scott Rodino rules either by operating through an investment partnership or by establishing that their initial investments were of a "passive" nature.

Securities & Exchange Commission regulations require disclosure of any stake in a public company over 5 per cent. Farley did not say yesterday whether it held any shares in West Point and this led some arbitrageurs to doubt the seriousness of its intentions.

At the current market price of \$35 a share, a full bid for West Point would cost \$1.1bn.

Fleet/Norstar devises a recipe designed to satisfy shareholders

BY ANDREW BAXTER IN LONDON

THERE IS, it is said, no such thing as a free lunch. But shareholders in Fleet/Norstar Financial Group, a recently-created US "super-regional" bank, come as close as one can get to this justly cherished aim in these days of cost controls and corporate belt-tightening.

Last week, some 4,000 of the company's shareholders turned up at the company's annual meeting in Albany, New York State. Interested as no doubt they were to learn what the company had achieved in the five months since the merger of Fleet Financial and Norstar Bancorp - creating the ninth largest US bank holding company market capitalisation terms - the culinary spread was undeniably a factor in drawing the crowds.

"It is very popular. It is very well received," said Mr J. Terrance Murray, president. For the cost equivalent of a 10-second TV commercial, shareholders get a "dividend and a steak dinner" and for the company it represents a successful public relations exercise.

The event is a tradition at Norstar, whose home town will take turns at holding the annual meeting with Providence, Rhode Island, home of Fleet Financial. Both cities will share head office functions. Exposure is fully provided for.

Mr Murray and Mr Peter D. Kiernan, Fleet/Norstar's chairman, were in London this week at the start of a short European tour to brief investors about the merger, which has been made possible by the gradual

relaxation of interstate banking laws in recent years. But to many mergers in other industries, that between Fleet and Norstar was motivated less by the benefits of scale economies than by the desire to create a significant financial institution combining a strong stake in north-east banking with a nationwide presence in non-bank financial services.

Mr Kiernan said the two banks had talked over a period of time about combining but had resolved to merge in a way that was not dilutive for shareholders or disruptive for the 18,700 employees.

Achieving this was aided by the two bank's differing profiles and lack of geographical overlap. Before regional interstate banking, Fleet had expanded heavily nationwide into activities such as leasing and factoring, to make up for the limited size of its banking market in Rhode Island. Norstar was a more traditional bank holding company.

The combined company has three divisions, New York and New England Banking, and financial services. To clear the decks, Fleet added \$33m to its 1987 Third World debt provisions and its remaining \$75m exposure is fully provided for.

Norstar, typically, had had no international operations, and the merged group's non-US business is focused on a portfolio of specialised London-based lending services. However, part of the strength of the super-

regionals, and a reason for their high stock market rating relative to money centre banks, is their lack of international exposure. "For the foreseeable future we have other fish to fry," said Mr Murray.

Having created an institution with assets of \$55bn, Fleet/Norstar is now able to concentrate more on increasing its return on equity than on being "preoccupied with asset growth," as Mr Murray put it. In the first-quarter of 1988, return-on-equity was 16.5 per cent, helped by a 13 per cent rise in net income to \$7.5m, and the target is 20 per cent.

Even so, Fleet/Norstar sees its greatest opportunity for growth coming from continuing deregulation of the industry.

The two executives consider it inevitable that there will be a further breakdown in interstate barriers in New England, and say that states from which they are excluded, such as Connecticut and Massachusetts, "have effectively created prisons for themselves."

In the longer term, says Mr Murray, the big question will be whether the formation of the super-regionals of the 1980s will be followed by consolidation in the 1990s between the new groups.

Shareholders may wish to ponder a less weighty question: will the Norstar lunches become a feature of all Fleet/Norstar annual meetings? The matter is under review.

Profits fall at Bank of Montreal

By Robert Gibbons in Montreal

THE BANK OF Montreal has raised its reserves against Third World loans from about 35 to 40 per cent with all the impact falling in second quarter results. Taken in conjunction with other special charges, this brought a big drop in second quarter earnings.

The bank is the first of the Canadian chartered banks to report second-quarter figures since the Federal Government requested an increase in Third World debt provisions. Other banks may spread the impact over the last nine months of the current year.

Net profit was C\$22.5m (US\$18m) or 10 cents a share, against C\$11.1m or C\$11.1 a year earlier. The latest quarter included a total C\$262m pre-tax provision for known losses against C\$18.7m.

First-half net profit was C\$175.5m or C\$1.49 a share against C\$266m or C\$2.82. The latest period included C\$399m in provision for known losses against C\$57m.

GM names Saturn ad agency

BY RODERICK ORAM IN NEW YORK

ONE OF the longest, most off-beat and talked about courtships of US advertising agencies has ended with the selection by General Motors of Hal Riney & Partners to launch its Saturn car in 1990. Madison Avenue had been subjected to an eight month search by GM for the agency which could deliver the right "personal chemistry."

The San Francisco concern was chosen as Saturn's "communications partner" because it is "known for its outstanding ability to deliver endearing emotional executions with high technical quality," said Mr Donald

Hudler, vice president of sales, service and marketing of GM's Saturn division.

The advertising campaign will be the largest ever for a new product, generating annual billings of about \$100m a year, according to industry estimates. It will be a huge boost to the medium-sized agency, known for its creative advertising, which was formed in 1986 when the San Francisco office seceded from the Ogilvy and Mather empire. It currently bills about \$150m a year.

Competition for the Saturn account was intense and helped precipitate the recent crisis in

the US operations of WPP, the British marketing services group. Senior staff of Lord Geller, a WPP subsidiary, left to form their own agency after Mr Martin Sorrell, WPP's chairman, stopped them seeking the Saturn account because another part of WPP handles Ford Motor.

The Saturn project is General Motors' large-scale effort to re-establish profitable small car production in the US. To match the price of imported cars, GM has had to set up Saturn as a separate division using radically different management, design, engineering and manufacturing methods.

Australia shakes up company regulation

BY CHRIS SHERWELL IN CANBERRA

AUSTRALIA'S Federal Government yesterday introduced long-awaited legislation to revamp the country's cumbersome system of corporate regulation.

It will replace the present co-operative system among national and individual state watchdog bodies with a structure headed by a new Australian Securities Commission (ASC). It will have better resources as well as strengthened inspection and

investigation powers. A new corporations and securities panel will conduct hearings into questions of unacceptable conduct. A committee made up of community representatives will advise the minister on the working of the scheme. There will also be a disciplinary body.

Another piece of legislation introduced yesterday, the Corporations Bill, amalgamates into one law existing codes relating to

companies, the acquisition of shares, the securities industry and the futures markets.

It also removes unnecessary regulation in areas like prospectus registration, disclosure of beneficial ownership and the transfer of securities.

A third measure, the Close Corporations Bill, provides simpler arrangements for small business.

Cyprus Minerals buys Inspiration unit

BY KENNETH GOODING, MINING CORRESPONDENT, IN LONDON

CYPRUS MINERALS, the Colorado-based mining group, is to buy Inspiration Consolidated Copper for \$125m.

Inspiration Consolidated, a subsidiary of the Inspiration Resources natural resources group, has an open pit and asso-

ciated operations at Miami, 75 miles (120kms) east of Phoenix, Arizona, employing about 1,000.

Cyprus said that the deal, due to be completed by July 1, would add 125m lb of copper cathode production to its current output of about 400m lb.

More importantly, Inspiration brought with it smelter capacity and a rod plant which would enable Cyprus to turn about half its copper production into wire bar - which carries much higher profit margins and gives access to a broader customer base.

This announcement is neither an offer to sell nor a solicitation of offers to buy any of these securities. The offering is made only by the Prospectus and the related Prospectus Supplements.

NEW ISSUE May 26, 1988

US\$600,000,000

Australian Wheat Board

A Statutory Corporation of the Commonwealth of Australia

Global Medium-Term Note Programme

Copies of the Prospectus and the related Prospectus Supplements may be obtained in the jurisdiction in which this announcement is circulated only from such of the undersigned as may legally offer these securities in such jurisdiction.

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<p>The First Boston Corporation</p> <p>Merrill Lynch Capital Markets</p>	<p>Morgan Stanley & Co.</p> <p>Shearson Lehman Hutton Inc.</p>
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Documentation co-ordinated by

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March 1988



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U.S. \$ 50,000,000

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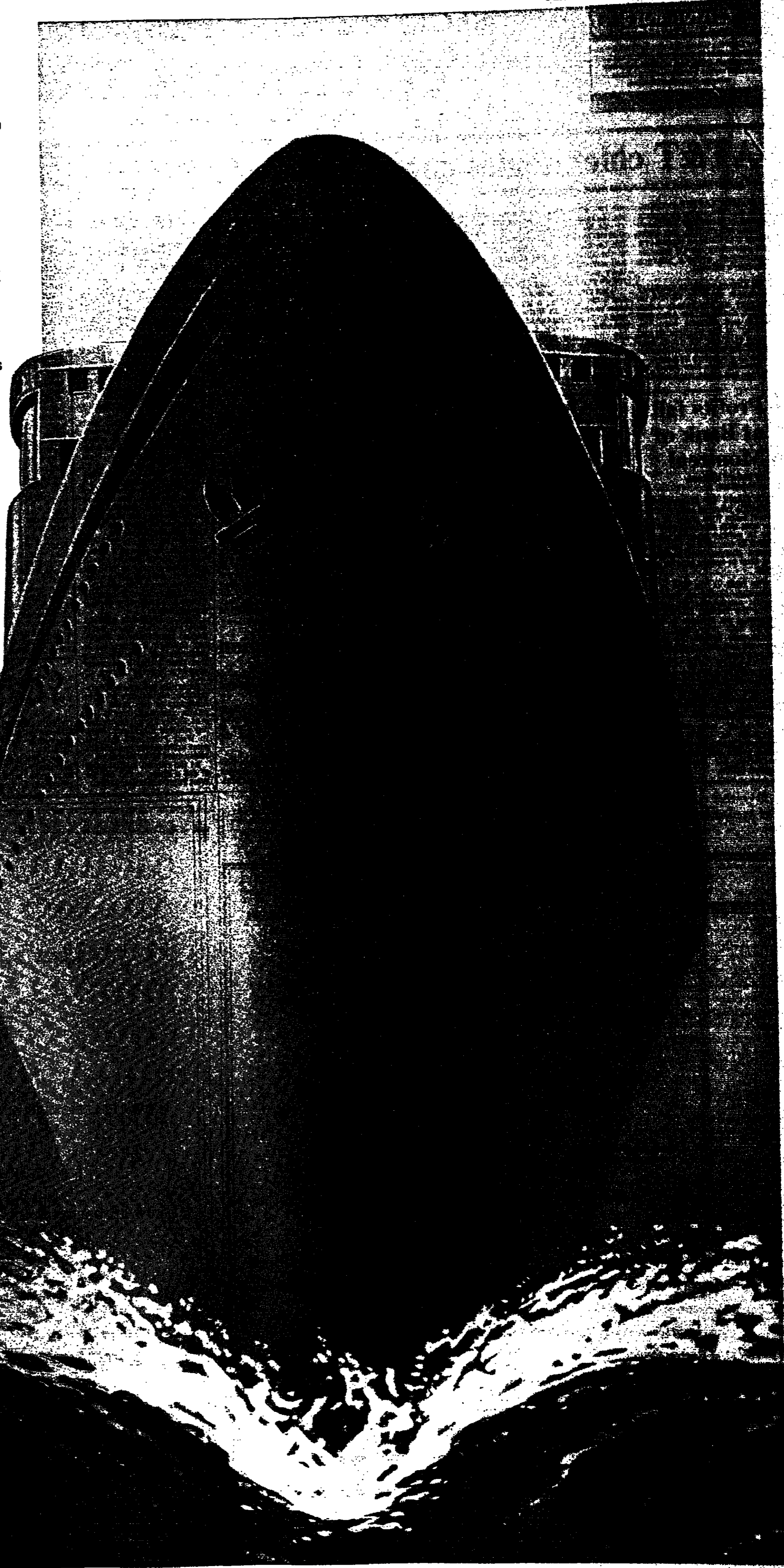
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INTERNATIONAL CAPITAL MARKETS AND COMPANIES

A cascade of new issues in variety of currencies

By Stephen Fidler, Euromarkets Correspondent

MORE THAN a score of new issues in a cocktail of currencies were launched yesterday in an extraordinary day in the primary sector of the Eurobond market. They included the first straight Eurobond of the week, a \$200m, five-year bond for the Long-Term Credit Bank of Japan, launched through its L/TCB International subsidiary. It was priced at 101 1/4 to give a yield of 57 basis points (hundredths of a percentage point) over the five-year US Treasury bond issue.

equity warrants issues hit the market, but most were accorded a reasonable reception. Viewed as both the best and worst received of the day was a two-tranche issue for Mitsubishi Heavy Industries through NIKKO Securities (Europe). This was rather unusually, divided into a four-year and a seven-year issue.

INTERNATIONAL BONDS

Amid talk of a renewed appetite among Japanese investment institutions for bonds and particularly of five-year US dollar denominated issues, this well-received issue appeared to be one of a number launched with the Japanese market in mind. A "plain vanilla" Eurobond issue was also brought for Kibbey-Clark, the paper products company, through Goldman Sachs International, which up until now has been having a quiet year as a lead manager of new Eurobonds. The seven-year issue carries a 9% per cent coupon and an issue price of 101 1/4.

cent coupon and a 10 1/4 issue price led by Banque Paribas Capital Markets. In Canadian dollars, the French agency C&P launched a \$300m deal over 3 1/2 years, with a 10 per cent coupon and 10 1/4 issue price through JP Morgan Securities.

In Euroyen, New Zealand came with a Y20m issue with a seven-year maturity, a 5 1/2 per cent coupon and a 10 1/4 issue price through Nomura.

Cariplo, the Italian bank, brought a Y10m five-year issue with a 5 per cent coupon and a 10 1/4 issue price through Nippon Credit International. Nomura also led-managed a Y10m issue for Mitsubishi Netherlands, the Dutch offshoot of the Japanese textile company, with a 5 1/2 year maturity, a 5 1/2 per cent coupon and a price of 101 1/4.

Alliances and Leicester became the first UK building society to borrow in Euroyen, with a Y5m floating-rate note offering over five years, priced at par and paying 55 basis points below the Japanese long-term prime rate. Mitsui Finance led the deal.

In Lire, Euratom brought a L107m deal over four years with a 10 1/4 per cent coupon and a 10 1/4 issue price through Banco di Roma and Bankers Trust International. In D-Marks, Haindl Finance, subsidiary of the West German paper company, launched a DM100m 10-year issue with a 6 1/2 per cent coupon and a par issue price through Bayerische Vereinsbank.

State bond primary dealer to wind down

By George Graham in Paris

THE GROUP of primary dealers in the French government bond market has suffered its first casualty. Finance Contrepartie, a joint venture set up last year to act as a primary dealer by the stockbroker Massonnet de Fontenay and the financial house Dumonil Leble, has decided to wind down its activities as primary dealer.

Mr Daniel Bagault, director of Dumonil Leble and chairman of its new banking arm BPIA, said yesterday that Finance Contrepartie had made a modest loss for 1987, when it only started operating in June, but had little prospect of making adequate profits in the future in the current market climate.

"We are a house which likes to make money, and the role of primary dealer brings a lot of burdens for very little profit," he said. Finance Contrepartie has FF270m in capital and a FF640m loan guaranteed by Dumonil. There is a very heavy load for not much return.

The Dumonil/Massonnet group is not the only one of the 13 primary dealers to have lost money last year, especially with the heavy cost of hiring dealing teams and installing trading rooms and back-office systems. Most of the others, however, form part of major banking groups which view government bonds as an essential part of their market activities, and another two groups, Bankers Trust and Bankers Populaires, have become "corresponding dealers" in waiting for a full primary dealership.

Stefan Wagstyl on prospects for Japanese mortgage-backed securities

Banks given two-year head start

A SECONDARY market in home loans, with a potential value of billions of yen, is likely to be established in Tokyo in the autumn. Banks, trust banks and housing loan companies will be permitted to turn home loans into securities and to trade them, under proposals approved this week by a Ministry of Finance study group.

The planned market would replace an existing highly-restricted scheme for securitising home loans. Commercial banks stand to gain most from the new market because selling securitised home loans will enable them to reduce the size of their total assets and so help them to meet new global standards on capital adequacy proposed by the Bank for International Settlements.

Mr Seichi Tsurumi, an official of the Federation of Banks Associations of Japan, said yesterday: "At this time, the most important thing for banks is the issue of capital adequacy. This measure will be very helpful."

The study group's plan, which is widely expected to win ministerial approval, also represents a victory for the banks in their battle with securities companies over access to newly-created financial markets in Tokyo. Although the proposed home loans market will be in some respects a securities market, securities companies are to be excluded from it.

Lenders have been permitted to securitise home loans. However, the proposals contain restrictions which are designed to limit the growth and liquidity of the new market. The minimum trading unit will be Y100m and the minimum term of securities five years. Apart from securities companies, private individuals and life insurance groups (the biggest institutional investors) will be excluded from the market. Nevertheless, banks regard the new proposals as a great advance on the existing arrangements, developed since the mid-1970s, under which home loans can be sold by banks and other lenders to investors but cannot easily be resold or traded.

Under the planned scheme, banks, housing loan companies, and trust banks which entrust a proportion of their home loan books to trust banks will then be allowed to sell securities based on the value of the loans held in trust. Commercial banks will, however, be allowed to trade in securities they issued in the first place - a rule which could severely limit liquidity.

Mr Takayoshi Nakagawa, an economist at broker Barclays de Zoete Wedd, said the new market might take time to grow. But the securitisation of home loans could eventually lead to the securitisation of all types of loans. This is much desired by banks, but opposed vehemently by securities companies.

gall Act. However, the ministry said the market would be reviewed in two years with the strong implication that securities companies (and life insurance groups) might then be allowed to join.

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British deals eligible for highest ratings

By Stephen Fidler, Euromarkets Correspondent

BRITISH mortgage-backed securities can be eligible for the highest credit ratings despite growing arrears and a rising default rate on the underlying mortgages, Moody's Investors Service, concludes in a report published yesterday.

The market in these instruments - pools of mortgages packaged and sold to investors as securities, usually carrying floating rates of interest - is relatively new to the UK, with the first issue being launched in February last year. The technique has, however, been long established in the United States.

In its report on its approach to rating such securities - its first rating for such an issue is expected in a few weeks - the agency concludes that the market should continue to grow and gain in liquidity as investors become more knowledgeable. "Moody's believes that properly structured transactions can be eligible for its highest ratings."

Nevertheless, it admits that such securities have not been tested in a severely depressed economic environment in the UK. Residential mortgages in repossession or in arrears by more than six months rose to 75,000 last year from about 10,000 in 1979, the agency says, adding that it sees this upward trend continuing. The trend will be exacerbated by the growing competitive market for mortgage lending.

Moody's notes that, despite this, losses suffered by lenders have been comparatively low, as home prices have been rising rapidly. It suggests, however, that this may not continue. "Moody's believes... that UK home prices are becoming increasingly unstable."

Rising house prices have been driven by increased mortgage demand along with growth in personal incomes, and speculative home purchases have magnified the rise. "As owner occupancy stabilises, mortgage demand may level off or even decline, and home prices will react accordingly," Moody's says.

The agency finds the industry insurance used to insure most UK home mortgages to be considerably superior, from the point of view of the holders of mortgage securities, to the private mortgage insurance typically used in the US.

But this is to some extent balanced out by the prevalence in the UK of interest-only mortgages - used for 82 per cent of new home mortgages, usually combined with an endowment policy - which offer less security. Longer repossession times and the influx of many "financially marginal" borrowers are also balancing factors.

It also warns that badly structured transactions for mortgage-backed securities can expose investors to much higher risk, even if the underlying mortgages are sound. Investors should be isolated from the insolvency of parties to the transaction, such as mortgage administrators or the supporting insurance companies.

Saudi Arabia shelves borrowing plans

By Andrew Gowers

SAUDI ARABIA faces the prospect of having to borrow \$200bn in the final few months of the year after shelving plans to borrow in order to cover its budget deficit until after the summer.

The plan, the Kingdom's first borrowing in more than 20 years, was originally announced with Saudi Arabia's 1988 budget on December 31 as a proposal to issue bonds to banks, and possibly to private individuals. But it has since been subject to numerous delays, partly as a result of dissension in religious circles, who oppose the payment and receipt of interest.

As a result, bankers say the Government is to restrict the scope of the exercise to two highly-liquid state-run funds, the Public Investment Fund and the General Organisation for Social Insurance. Officials insist that no final decision has been taken on the form of borrowing but say that in any case there is no great urgency since government spending in the first quarter was relatively modest and non-oil revenues, especially from customs tariffs, are running above target.

Diplomats in Riyadh, however, suspect there is another reason for the delay: the forthcoming annual Moslem pilgrimage, or hajj, to Mecca. The Government has become transfixed about the possibility of Iranian disruption of the pilgrimage in July, following last year's riot, and important decisions will have to wait until the crisis is over.

Although officials insist that the borrowing will take place in the second half of the year, diplomats say the Government is leaving itself too short a time to raise such an amount. They say the borrowing is needed as much as ever to prevent a larger-than-planned drawdown on reserves, since oil revenues are believed to be running at least \$1bn below the budget target so far this year.

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FT INTERNATIONAL BOND SERVICE

Listed are the latest international bonds for which there is an adequate secondary market.

Table with columns: US DOLLAR, YEN STRAIGHTS, OTHER STRAIGHTS, CONVERTIBLE BONDS, and FLUATING RATE. Includes bond names, amounts, and yields.

Table with columns: DEUTSCHE MARK, STRAIGHTS, CONVERTIBLE BONDS, and FLUATING RATE. Includes bond names, amounts, and yields.

Taiwan to prepare for deregulation

By Bob King in Taipei

TAIWANESE financial authorities yesterday reaffirmed their intention to prepare the country for a slow assimilation into international capital markets and signalled their willingness for foreign investment banks to make their skills available to local institutions.

Senior officials from the Finance Ministry, the central bank, and the securities commission were present at the country's first major international gathering on securities investment. More than 500 people from 13 countries are meeting this week to explore ways to channel Taiwan's US\$7bn in foreign exchange reserves.

They had no specific new moves on deregulation to offer the conference, which was sponsored by EuroMoney Publications. But their presence underscores the importance banks, investment houses, and the government place on the development of Taiwan both as a source of investment capital and a market in its own right.

Links are beginning to form. Shearson Lehman Hutton of the US is finalising a joint venture with Global Investment Holdings of Taiwan, which is headed by Mr Ben Li-tai, a former Finance Minister. The venture, to be called Global Financial Services, will concern itself initially with investment banking, asset management services and mutual-fund distribution.

Finance for docklands development

By Our Euromarkets Correspondent

ENSKILDA SECURITIES and Skandinaviska Enskilda Banken said yesterday they had received the joint mandate to raise a \$240m syndicated loan facility to finance a property development at London's St Katharine's Dock.

The borrower is Trinity Tower Property Company, with a partial guarantee from Skanska, the Swedish building group which is the majority owner of the project. The financing comprises a \$200m loan underwritten by seven banks and a \$40m loan option.

NOKIA logo and text: LISTING ON THE PARIS AND FRANKFURT STOCK EXCHANGES. The free preferred shares of Nokia will be listed on the Paris Stock Exchange from 27th May, 1988 and on the Frankfurt Stock Exchange from 20th May, 1988. Sponsors of Paris Listing: Banque Paribas, Enskilda S.A. Sponsor of Frankfurt Listing: Dresdner Bank Aktiengesellschaft, Advisor to the Frankfurt Listing: Union Bank of Finland (France) S.A., Kansallis-Osake-Pankki. Co-ordinator: Enskilda Securities, Skandinaviska Enskilda Bank.

UK COMPANY NEWS

Courtaulds restricted to £220m by dollar decline

BY ALICE RAWSTHORN

DESPITE DIFFICULT trading conditions in fibres and textiles, Courtaulds succeeded in increasing pre-tax profits by 19 per cent to £220m and sales by 7 per cent to £2.4bn in the year to March 31. Courtaulds' share price - which surged a few weeks ago when Mr Kerry Peck, the Australian entrepreneur, was building a holding in the group - fell by 10p to 94p on the announcement.

amounted to £12.2m (£12.5m, while tax took £50.9m (£48.6m).

Earnings per share rose to 40.5p (38.2p). The directors propose a final dividend of 9.25p making 12p (9.5p) for the year. Fibres, where profits fell to £98m (£95m), proved the most difficult division. Acetate yarns and viscose fared well. But profits from Courtaulds, which provides half of the division's turnover, fell by £26m because of increased raw material prices and poor demand. Courtaulds responded by reducing the Courtaulds workforce and transferring viscose production from France to the UK.

Dealing subsidiary loss hits Cambrian & General

BY NIKKI TAIT

Farnsworth and Hastings, dealing subsidiary of Cambrian & General Securities - a UK investment trust formerly run by convicted American insider dealer, Mr Ivan Bosky - incurred a net loss of £2.98m in the six months to end-March.

Largely due to this, Cambrian saw a retained deficit for the six months of £2.23m, compared with a £7.47m surplus in the same period a year earlier.

During the six months, which covered the October stock market crash, net assets of the trust fell to £27.2m compared with £122.1m at end-September. That translates into net assets per ordinary share of 130.7p, compared with 173.2p in September, and asset backing for the capital shares of 176.6p (282.7p).

Cambrian chairman, Mr David Hobson said yesterday that the company now had about 60 per cent of the portfolio invested in equities, as opposed to liquid or fixed interest securities, and approximately 65 per cent in US dollar-denominated securities.

Dixons set for Tokyo listing

Dealings in the ordinary shares of Dixons Group on the Tokyo Stock Exchange are expected to commence on May 31. Some 9.3m new ordinary shares have been placed with Japanese investors at 174.2p per share.

Polly Peck buys base in Far East

By Clay Harris

Polly Peck International, agriculture, electronics and textile group, is to pay £28m for Rainbow Orient Corporation, a Hong Kong-based investment company controlled by Sir Ron Brierley, New Zealand entrepreneur.

The acquisition will give Polly Peck a locally listed vehicle for Far East expansion. It will inject two textile subsidiaries, Hong Kong-based Shui King Polly Peck International and Dubai-based Falcon (GAE), into the Hong Kong company, which will be renamed Polly Peck Far East.

To acquire the listing, Polly Peck is paying HK\$4.5m (£445,000) over the value of Rainbow Orient's assets, which consist entirely of cash. Although Polly Peck is buying a 96.6 per cent stake and will make an offer for the minority, it will reduce its holding to 75 per cent through placings.

The Hong Kong operations contributed over half of the interim pre-tax profits for textiles of £2.2m on £41.4m sales which Polly Peck has just reported. However, US textile activities were not included.

Similarly, Far East electronics operations, centred on Capetrone, will remain directly owned by the UK-based parent.

US growth lifts Hanson to £356m

BY PHILIP COGGAN

Hanson, diversified industrial conglomerate, yesterday announced a 14 per cent increase in pre-tax profits for the six months to March 31 from £312m to £356m.

The figures included a five month contribution of £8m-£10m from Kilde, the US conglomerate which Hanson acquired for £1.6bn last year. Since the end of the half, Hanson has sold the Ross Youngs frozen foods business to United Biscuits and the profit on this transaction accounts for the bulk of an extraordinary credit of £21m.

Hanson said that as a result of disposals and the cash generated from its businesses, it ended the half with an ungeared balance sheet as against a 60 per cent

gearing ratio after the Kilde acquisition.

US profits increased from £83m to £140m, a 69 per cent increase in sterling terms. The industrial division's profits doubled, but there were also strong performances from the consumer division - particularly from Smith Corona - and from building products.

Like SCM, which Hanson bought in 1986, disposals of Kaiser Cement businesses, acquired for £250m in January 1987, have now exceeded the acquisition cost. Hanson estimates that the SCM and Kaiser businesses retained are generating yearly trading profits of over £300m (£160m).

In the UK, the best performance was achieved by the build-

ing products division - up from £31m to £42m. Consumer division profits increased from £123m to £135m and the industrial division from £33m to £39m; but the food division's profits fell slightly from £11m to £10m. Overall UK profits were £216m (£198m).

Turnover was 7 per cent higher at £3.72bn (£3.47bn). Fully diluted earnings per share were 6.6p (6p) and the interim dividend is being increased 28 per cent to 1.8p (1.4p).

comment

Although Hanson's profits were ahead of expectations, the 10 per cent earnings increase was hardly startling and the shares improved just 1/4p to 131p.

Analysts were more excited about the details of the balance sheet - by the end of the year, the company could have a net worth of £2bn, giving it scope in theory for a £5bn bid. Guessing the next Hanson bid target is one of the oldest games around and the markets are sufficiently bored with the pastime to keep Hanson shares at a discount. In the short term, with Hanson set for £540m this year and a prospective p/e of over 8, the rating is unlikely to catch up. But in the medium term, the company's ability to sweat its assets and generate cash will surely come through to the share price. Next year, Hanson's earnings growth will probably be in line with the rest of the market and by then dollar earners could come back into fashion.

Crash leaves Harvard £3m in the red

BY RICHARD WATERS

Harvard Securities, licensed dealer, lost £3.1m before tax in the six months to 31 March, largely due to the stock market crash.

The bulk resulted from trading losses and bad debts in the last three months of 1987. The company, which makes markets in over-the-counter stocks, had more than £2m of stock on its books at the time of the October crash, but is unable to calculate the loss directly attributable to the fall in the value of these

shares, said Mr Paul Petrovitch, finance director.

Further losses resulted from low business volumes since October, the company said. "We were also carrying a lot of overheads which have since been shed," said Mr Petrovitch.

Turnover was £33m for the half year, less than a third that of the previous six months when it soared to a peak of £118m.

A loss of £352,000 in the first three months of 1988 was largely due to further bad debts from the

crash, said Mr Petrovitch. In other respects the company had been trading at about break-even.

Fifty redundancies in January helped reduce operating costs from £2.7m in the first quarter to £1.7m in the second. Another 50 jobs had been shed through natural wastage since last summer, leaving the company with a total of 150.

The job losses had brought the number of Harvard's dealers down from a peak of 96 last sum-

mer to between 45 and 50 now, said Mr Petrovitch.

Harvard's future was thrown into doubt when the Stock Exchange rejected its application for membership last year. Failure to be accepted by any of the three bodies to which it has applied for authorisation under the Financial Services Act would result in it being forced to close - a fact noted in a qualification to the audit opinion in its 1987 accounts.



BP concern over further delays to Lear merger

BY VANESSA HOULDER

BP America, the US subsidiary of British Petroleum, has announced a further delay in the agreement of the £1.35bn (£1.35bn) merger deal that it has struck with Lear Petroleum, the US gas gathering company.

BP yesterday said it was extending its tender offer for Lear's debt until Friday June 2. By Tuesday, when the offer was scheduled to expire, it had just £22m of debt, compared with the \$100m it needs to complete the deal.

An additional delay occurred on Tuesday, when Lear adjourned a shareholders' meeting to give preference shareholders more time to consider a revised offer. The offer includes an extra \$25 per share bringing the total payment to \$8.5. Two-thirds of preferred shareholders must approve the deal for it to go through.

BP has voiced concern about the acquisition in a letter to Lear that was filed with the Securities and Exchange Commission. It has not however announced any time limit for the deal.

Isopad for main market with £13.6m valuation

BY PHILIP COGGAN

Isopad International is joining the main market via a placing by Barclays de Zoete Wedd which values the group at £13.6m.

The company designs and manufactures temperature control equipment for pipes and vessels. Its products are used for protecting hot water pipes against frost, for de-icing door seals and maintaining fuel oils at flowing temperatures.

Isopad was founded shortly after the Second World War by three Czechoslovakian refugees. After a period of losses in the late 1970s, Mr Harry Childerly became managing director (he is now

chairman) and introduced cost controls and a product development programme.

Pre-tax profits have risen from £401,000 in the year to January 31 1984 to £2.01m last year on turnover which increased from £8.1m to £12.7m over the same period. BZW is placing 4.88m shares, 44.4 per cent of the equity, at 125p each. The shares are on a historic p/e of just under 12 at the placing price. The majority of the shares being placed are being sold by existing shareholders; around £1.5m will be raised by the company for future expansion.

Domestic and General placing

BY NICK BUNKER

Domestic and General, one of a handful of British companies which insure household appliances against breakdown, is coming to the Unlisted Securities Market via a placing by CL Alexander Leung & Cruickshank.

Some 1.82m shares - making up 27 per cent of the enlarged equity - are being placed at 185p each, giving Domestic and General a total market capitalisation of £11.2m. Existing shareholders are selling 303,000 shares, and the 1.52m new shares being placed will raise £2.8m for the company. Domestic and General plans to use the proceeds to repay about

£1m of bank loans.

But the main reason for raising new capital is that the group wants to retain more of its own insurance underwriting risks. At present it keeps only about 63 per cent of the breakdown risks, passing the rest on to a range of co-insurers.

The group has been in the domestic appliance insurance market since the mid-1970s. Pre-tax profits have risen from £521,000 in 1983 to £949,000 in 1986 and £1.231m last year, putting the shares on a historic price-earnings multiple of 11.8.

Public Works Loan Board rates

Table with columns for Years, EPY, and interest rates. Rows include terms like 'Over 1 up to 2', 'Over 2 up to 3', etc., with corresponding interest rates.

B.A.T. INDUSTRIES logo and text: FINANCIAL SERVICES • RETAILING • PAPER • TOBACCO

The full quarterly report is being posted to shareholders and copies are available from the Company Secretary, B.A.T. Industries p.l.c., Windsor House, 50 Victoria Street, London SW1H 0NL.

UK COMPANY NEWS

RHM rises by 37% and makes US acquisition

Ranks Hovis McDougall, the bakeries and food group, yesterday reported a 37 per cent jump in half-year profits and announced that it is paying \$31.55m (£17m) for Naas Foods, a US producer of tomato paste and other tomato products, writes Nikki Watt.

RHM's pre-tax profits for the 26 weeks to March 5 rose from £52.9m to £72.5m, on sales up 14 per cent to £843.2m. Figures include the first full half-year contribution from Avana, which RHM acquired after a £28m bid battle a year ago.

	1988 26 weeks	1987 26 weeks
Cake and confectionery	5m	5m
Grocery products	12.4	7.1
Milling and bread baking	15.4	10.4
General food products	25.2	18.9
United States	11.3	8.1
Pacific region	1.2	5.1
Other operations (mainly property interest)	4.9	2.2
	(10.2)	(5.9)
	72.5	52.9

After a slightly reduced tax charge of 34.9 per cent (38.1 per cent) earnings per share increased by 18.9 per cent. The interim dividend increases by 20 per cent to 3.18p. RHM shares eased 3p to 348p.

RHM said Avana accounted for trading profits of about £16m out of a group total of £82.4m (£57.6m).

All US divisions substantially improved profits, RHM said, and the benefits of recent capital expenditure on the flour/bakeries side continued to feed through. The interest charge rose from £5m to £10.2m, largely due to the Avana acquisition.

Naas Foods, based in Portland, Indiana, is being acquired from members of the Naas and Mauer families for \$27.55m, and RHM will also make \$4m of "non-competitive" and consultancy payments to the vendors over the next seven years. In the year to end

July, Naas made \$4m pre-tax on sales of \$42m, and is estimating \$4.5m and \$4.8m respectively in the current year. Net assets are about \$18.4m, and the deal is being financed by a vendor placing at 340p of 4.4m RHM shares.

Senior directors of Australasian food group Goodman Fielder Wattie, which holds 28.9 per cent of RHM, are in London, although S.G. Warburg, GFW's London adviser, stressed that this was not an uncommon occurrence and was partly related to a recent Dutch acquisition. RHM said no meeting was planned, but it would not be surprised if a courtesy call were made.

advance in milling and baking (where the Avana deal has no distorting effect). How much more can be squeezed on the latter front has concerned analysts for some time, and the pace must slow at some stage. RHM, however, remains bullish, pointing out that there were volume gains as well as efficiency benefits in the first half. On the acquisition front, infill seems to be the immediate thrust, with some £10m of smaller cash acquisitions made in the six months, ahead of Naas, and more planned. If the fairly progressive dividend policy indicates a good second half, up to £150m may be in sight for the full year. That puts the shares on a prospective p/e of 12.6. Clearly, there is some bid premium in that figure, but with the fundamentals solid and the share register inherently unstable, the rating seems well justified.

comment
RHM produced two surprises yesterday - property profits a couple of million higher than expected and a continued strong

Prowting and ASW offers well received

By Philip Coggan

THE OFFERS for sale of ASW, the steel company and for Prowting, the Ruislip-based housebuilder, were both oversubscribed when applications closed yesterday.

Prowting, which came to the market on the back of strong profits growth fuelled by the building boom in the south east, proved to be an extremely popular offer. Indications yesterday were that the issue would not be far short of 20 times oversubscribed, the best performance by an offer so far this year.

Lazards were offering 12.1m shares in Prowting at 165p each, putting the shares on a historic p/e of 11.

ASW, the Allied Steel and Wire, looked likely to record a more modest performance - around two times subscribed. However, after the early 1980s problems of the UK steel industry, ASW's issue was always likely to be more cautiously received by investors than Prowting's.

Warburg's strategy of floating the company on a historic p/e of only 9 and a notional gross dividend yield of 6.5 per cent seems to have been a success.

BAT advances 14% in first quarter

BY ANDREW HILL

BAT Industries, tobacco-based conglomerate, reported pre-tax profits up 14 per cent to £283m for the three months to March 31, against £245m in the equivalent period.

Turnover increased from £3.81bn to £3.97bn, and earnings per share rose 9 per cent to 10.85p (9.85p).

Tobacco was the largest contributor with operating profits up 36 per cent to £163m (£120m) at constant exchange rates, on sales of £1.86bn (£1.49bn).

Mr Patrick Sheehy, chairman, took the opportunity to refute the main arguments against BAT's \$4.5bn (£2.4bn) bid for Farmers Group, the US insurance company.

A California Insurance Department regulatory hearing is currently considering the \$63-a-share bid. It is the most important of nine hearings which BAT must

face in each of the states where Farmers is based. The result is expected in the middle of June.

Mr Sheehy said Farmers had argued that BAT - which makes the bulk of its profits from tobacco-related business - would not support non-smoker discounts on Farmers' insurance policies. He pointed out that since BAT took over Eagle Star and Allied Dunbar, both companies had instituted such discounts.

He also rejected Farmers' objections to BAT's involvement in South Africa, where he said only 1 per cent of the UK group's business was generated.

In the first quarter, sterling's strength against European currencies in high-inflation countries cut operating profit by 17m.

Mr Sheehy said US retailing in general remained weak. Margins were under pressure in BAT's

stores because of the overhang of stock into the first quarter following adverse effects of the stock market crash. At constant exchange rates, overall retailing sales rose from £20m to £28.8m, generating operating profits of £4m (£2m).

Lower investment appreciation at Eagle Star meant financial services profits fell back \$4m to \$88m on turnover of \$825m (\$804m). Underwriting results continued to improve although there was further deterioration in Eagle Star's liability account, which includes claims for industrial disease.

Paper made \$64m (£60m) on turnover of \$456m (£438m).

over the Farmers bid is putting BAT's share price down. A good proportion of Farmers shares - BAT estimates some 20 or 25 per cent - are now in the hands of arbitrageurs and the UK conglomerate says it has some 12m of the 60m shares held. Most observers will be waiting for the California hearing's judgment before betting on the US group's fate. Meanwhile, BAT's underlying growth, especially in the tobacco business, continues to improve. The gradual decline in the US tobacco market is being offset by progress elsewhere and price increases are well ahead of inflation. A number of independent foreign exchanges, the investment climate and US retailing - could still upset pre-tax profit forecasts of £1.6bn for the year. In the meantime the shares look attractive on a p/e of about 6.4.

comment
First quarter figures ahead of most expectations cannot disguise the fact that uncertainty

Ellis & Goldstein spurns Berketex offer

BY ALICE RAWSTHORN

Berketex, privately owned dress and bridalwear company, yesterday unveiled a \$28m cash bid for Ellis & Goldstein, the women's wear group best known for its Dash and Easton brands.

The bid was immediately dismissed by the Ellis board as "unsolicited and inadequate". Ellis' shares rose 25p to 101p - above the offer price of 95p - on counter-bid hopes.

Waterman, who led the buy-out and are now chairman and finance director respectively, had planned a stock market flotation next month. But Berketex decided instead to bid for Ellis and to remain as a private company - probably for two years - until the businesses have been integrated.

Mr Devine said that the acquisition offered an opportunity to create a broadly based women's wear group and to benefit from economies of scale in sourcing. In its last financial year Berketex made profits of £3.2m before tax and interest on sales of \$44m.

Mr Alan Philipott, Ellis chairman, yesterday denounced the offer, claiming that it did not reflect "the true value of the company and its brands".

and Dereta, its long established women's wear brands, have been fraught with difficulty.

Last month it announced a fall in pre-tax profits from £3.7m to £2.2m for 1987/88 on sales of \$80m, chiefly because of problems with its new Jewel Burnes and EK ranges.

Ellis has been haunted by bid speculation for the past year or so. Berketex said that it attempted to secure the agreement of the Ellis board before mounting its bid, but Ellis claimed that there were no discussions regarding the terms of the offer.

Thames TV hits £27.8m despite revenue slippage

BY FIONA THOMPSON

Thames Television, largest of the ITV contractors, yesterday reported pre-tax profits 12 per cent ahead to £27.8m for the 12 months to March 31 1988, up from £24.75m last year.

"Thames has had another good year", said Sir Ian Trethowan, chairman, "though not as spectacular as the previous two". Net advertising revenue rose from £191m to £222m, a rise of 11 per cent, compared with the 12.5 per cent increase shown for the year by the ITV network as a whole. Consequently, Thames' share of ITV revenue slipped marginally to 15.5 per cent from 15.7 per cent last year.

action over them."

Thames launched its weekday morning and through-the-night transmitting this year and increased production hours by an overall 30 per cent.

Turnover rose by over 11 per cent to £267.4m (£232.2m). The Exchange rate was £12.45m, against £12.5m, and net profit £10.14m (£8.8m). Earnings per share increased from 33.5p to 36.5p and a final dividend of 8.5p was recommended, making a total for the year of 42.5p (£22).

comment
Thames' shares finished 3p up last night at 348p, these results being pretty much what the City expected and the slight dip in its share of network revenue not changes in working practices, said Mr Richard Dunn, managing director. The aim was to lose 200 jobs, from a total of 2,282, and implement changes which would "save millions of pounds".

The management wanted to end unnecessary job demarcation, such as the need to have both scene shifters and prop shifters, and wished to investigate full mobility of staff between Thames' three bases. Though overtime costs were no longer the problem they had been in the past, the company still aimed to trim them back and to end some staffing restrictions.

Management has tabled 118 clauses "but they are mainly housekeeping" said Mr Dunn. p/e of 23, at a discount to the market.

Stake raised in Bristol Water

Lyonnais des Eaux, the French water supplier, has lifted its stake in Bristol Waterworks Company from 22.7 to 25.2 per cent.

Earlier in the week Compagnie Générale des Eaux, another French supplier, increased its holding in Bristol Waterworks to 28.7 per cent, taking the total French interest in the statutory

RHM RANKS HOVIS McDOUGALL PLC

Substantial Improvement in Profits

RESULTS

Group profit before taxation for the half year ended 5 March 1988 amounted to £72.5 million compared with £52.9 million for the corresponding period of the previous year - an increase of 37%.

Substantial improvements in profits were recorded by all the divisions in the United Kingdom. Cake and confectionery trading, with Mr Kipling and Cadbury's brands, was augmented by good results from Avana Bakeries, OP Chocolate and the recently acquired Heinzel frozen cakes business. In the Grocery division profits again forged ahead with excellent results coming from its numerous branded products and from many of the Avana companies within which Robertson's marmalades and jams traded particularly well; exports were also well ahead of budget.

The milling and bread baking business again improved with profits considerably ahead of last year; the benefits of recent years' heavy capital expenditure on the flour mills and bakeries continue to be reflected in satisfactory results. The Avana/general products division, which incorporates the remaining Avana businesses not transferred to our other core divisions and other general food companies, traded well with excellent results reported by the mushrooms and chocolate businesses; the catering supplies and retail catering companies achieved profits which together were close to the record results of the comparable period last year.

In the Overseas division results from the Pacific region were ahead of last year, with increased profits coming from the main areas in the Far East, Australia and New Zealand. Profits in the United States were below those of the comparable period and were affected by exchange rate movements and the disposals of our pasta and juice companies in that country.

Interest costs increased primarily as a result of the purchase of the Avana business but, despite this and a higher taxation charge, earnings per Ordinary share rose by 18.9 per cent to 13.2p per share.

INTERIM DIVIDEND

The Board has decided to pay on 15 July 1988 to Ordinary shareholders registered at the close of business on 17 June 1988 an interim dividend for the year to 3 September 1988 of 3.18p per Ordinary share, an increase of 20 per cent over the interim of 2.65p per share paid in 1987. This payment will absorb £10.8 million.

OUTLOOK

The Group's very satisfactory results for the first half year are continuing and I am confident we shall have another record year.

SIR PETER REYNOLDS, CHAIRMAN
25 May 1988

	Half year to 5 March 1988	Half year to 28 February 1987	Year to 5 September 1987
External sales	£843.2m	£742.3m	£1,543.8m
Profit before taxation	£72.5m	£52.9m	£116.1m
Earnings per share	13.2p	11.1p	24.0p
Interim dividend per share	3.18p	2.65p	-

Copies of the full Interim Report are available from: The Secretary, Department R, Ranks Hovis McDougall PLC, PO Box 178, Alma Road, Windsor, Berkshire SL4 3ST.



RHM RANKS HOVIS McDOUGALL PLC

executex Clothes PLC
399, YORK ROAD, LEEDS LS9 6TG

	Year to 31.12.87	Year to 31.12.86
Turnover	£ 6,676,800	5,187,000
Pre-Tax Profit	546,400	451,900
Taxation	228,600	150,600
Earnings per share	13.6p	11.9p*
Dividend per Share	3.8p	2.5p

*Restated

Another record year with 20% increase in both sales and profits gives your Board justified confidence in increasing the dividend by 20% and making a further 1 for 5 scrip issue.

The first quarter's figures indicate that we are on target to hopefully maintain the same rate of growth in 1988.

JOHN M. LUPER, Chairman

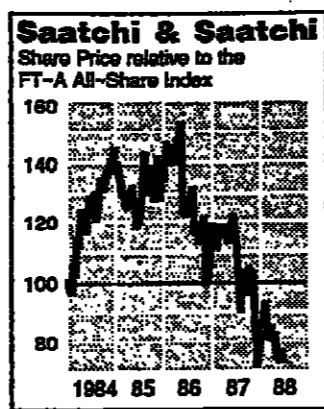
UK COMPANY NEWS

Saatchi rises to £63m and shuns financial services

BY CLAY HARRIS

Saatchi & Saatchi Company, the world's largest advertising group, has renounced its ambition to move into financial services...

signal both to outsiders and to the group's 16,000 employees that Saatchi was not resting on its laurels after splitting its advertising business into two networks...



Dunhill climbs 42% to finish at £35.2m

BY VANESSA HOULDER

Dunhill Holdings, luxury consumer products group, yesterday announced a 42 per cent increase in pre-tax profits for the year ended March 31 from £34.8m to £50.2m...

included as an extraordinary item. Net interest receivable increased to £5.6m (£2m). Earnings per share rose 44 per cent to 13p...

comment Dunhill Holdings, home of the £850 cashmere coat and £142 fountain pen, is a barometer of the desire for status symbols...

Operating profits before interest of continuing businesses grew by 32 per cent. The directors said that Dunhill watches and leather goods had performed exceptionally well, particularly in the Far East and duty-free markets...

Lane Limited, the US tobacco subsidiary which was sold in November 1987, contributed turnover of £13.1m and earnings of £2.5m for the seven months it was included...

Last September, Saatchi separately approached Midland Bank, the smallest of the big four clearing banks, and EMI Saatchi, the merchant bank, with takeover proposals...

The intention was, however, to signal both to outsiders and to the group's 16,000 employees that Saatchi was not resting on its laurels after splitting its advertising business into two networks...

WPP expands in Holland via £38m acquisition

BY NIKKI TAIT

WPP, the British marketing services company which acquired the substantially larger American JWT Group last year, is buying PPGH Group, the fourth largest advertising agency in the Netherlands...

and market research. Its clients include PTT Telecommunications, Canon, Postbank, Bols and Groenle...

At present, J. Walter Thompson - the renowned US agency which was acquired as part of the JWT deal - ranks only eighth in the Netherlands market...

Yesterday, WPP shares gained 1p to 519p. The court hearing involving WPP and the former employees of its New York advertising agency, Lord Geller, who defected earlier this year to set up their own agency, is continuing...

Audio Fidelity expansion

BY GRAHAM DELLER

Audio Fidelity, the loudspeaker manufacturer which last year entered the leisure and gift arena following a reverse takeover of the Fankare Group, is hitting the acquisition trail...

The group is also proposing to place a further 1.76m new shares to raise approximately £1.6m (net) to supplement working capital...

The initial consideration for Trolbourne of £180,000 and the total of £1.5m for Captain Billys will involve the issue of 1.82m new Audio Fidelity ordinary shares...

Audio yesterday also announced pre-tax profits of £380,000 (£119,000) for the six months to end-December, on turnover up from £2.19m to £2.62m...

COMPANY NEWS IN BRIEF

- BIOMECHANICS INTERNATIONAL: net loss for 15-month period to end-March 1988 of £773,562 (loss of £229,957 for year to end-December 1986)...
- CAULDON GROUP: formed last July to acquire William Beale and engineering business - Pre-tax profit of £25,000 in first six months of trading...
- GAYNOR GROUP: USM-grouped polythene maker: Pre-tax profits up from £285,000 to £305,000 for half year to February 28...
- JERSEY GENERAL Investment Trust: net asset value per £1 share stood at 489p (531p) at the year end of April 30 1988...

BOARD MEETINGS

Table listing board meetings for various companies including Fife, LEP, Marshall, Hutton, Marston, Thompson, Treadwell, Plessey, Redfern, Trenchard, Toms & Co's Brewery, etc.

This advertisement is issued in compliance with the requirements of the Council of The Stock Exchange. It does not constitute an invitation to any person to subscribe for or to purchase shares...

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(Registered in England and Wales number 1522731e)

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of 4,831,992 Ordinary shares of 10p each at 125p per share by

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Share capital following the Placing

Authorised £1,575,000 Ordinary shares of 10p each Issued and to be issued fully paid £1,088,010

Isopad International PLC designs, manufactures and installs electrical heat tracing equipment to control the temperature and thereby to facilitate the flow of substances transferred or stored in pipes and vessels...

The Listing Particulars relating to the Company are available in the statistical services of Eutel Financial Limited and copies may be obtained during normal office hours up to and including 10th June, 1988 from...

Brokers de Zoete & Bevan Limited, Ebbsgate House, 2 Swan Lane, London EC4R 3TS

and at the registered office of the Company, Isopad House, Shenley Road, Borehamwood, Hertfordshire WD0 1TE and up to and including 31st May, 1988 from the Company's Announcements Office...

26th May, 1988

This week, Courtaulds announced preliminary profits before tax of £221m, up 10% on 1986/87, itself an outstanding year.

For any business, however, the final test of performance must be earnings.

Over the past ten years, Courtaulds earnings per share have grown at a compound annual rate of 14%.

Over the past five years, this growth rate has been 30%.

Sooner or later, growth in earnings can only be sustained by growth in sales, this coming in turn from management skill and ideas in forever finding better ways to meet customer needs against top international competition.

For that reason, it is worth noting that the businesses now in the Courtaulds Group show an average sales increase of more than 8% each year since 1979/80.

We have consistently said that the answer to the questions that face any company driving for growth is its performance over time.

We see our latest results as another sure step along our road, and a tribute to the professionalism of our management and workforce.

As this advertisement is designed to be.



FOR A COPY OF OUR REPORT & ACCOUNTS, PLEASE WRITE TO CORPORATE COMMUNICATIONS, COURTAULDS plc, 18 HANOVER SQUARE, LONDON W1A 2BB.

FINANCIAL DIRECTOR

WEST BYFLEET



Trafalgar House Property Ltd invite applications for the position of Financial Director of its Residential Property Division. The Division operates under the name of Ideal Homes Holdings pic through its twelve operating subsidiaries located throughout the UK and is a major force in the UK housing industry. Based at West Byfleet, Surrey, the position is part of a small central management team reporting to the Managing Director of this highly successful Division. The successful applicant will provide all aspects of the Division's financial and accounting services. This includes the continuous application and evolution of financial controls and provision of regular and ad hoc financial information. As a member of the management team the successful applicant will be expected to make a significant contribution to the continued strategic and operational development of the Division. The position calls for a qualified accountant with a high degree of entrepreneurial flair and administrative skills. The ability to communicate, lead and innovate is essential. The position carries a salary package commensurate with the importance of the role and the opportunities for further career progression within the Trafalgar House Group. Applicants should telephone or write to Mrs J Heaton, Head of Personnel, Trafalgar House Property Ltd, West Lodge, Station Approach, West Byfleet, Surrey. Tel: (09323) 51815.

Entrepreneurial Finance Controller

Humberside

c£30,000 + Car + Benefits

Stadium is an extremely dynamic, fast growing £70 million turnover property development and investment group, specialising in edge-of-town retail parks and industrial developments. Since their establishment in 1982, their growth in turnover and profitability has been exceptional. The development of Meadowhall, Europe's first retail development with fully integrated entertainment and leisure activities, will consolidate their position as the UK's largest retail property development group. As a result, they now seek to recruit a Finance Controller who, reporting to the Chairman, will be entirely responsible for the accounting and D.P. functions. In addition to the normal duties, the individual will be expected to develop business planning, treasury, trust management, and investment appraisal procedures. He will also be expected to improve the quality of financial

control, management reporting and general financial awareness within the business.

Candidates, aged 27-34, will be qualified accountants (ACA, CACA, CIMA) who, in addition to technical competence, can demonstrate a high degree of entrepreneurial flair, general commercial awareness and self-motivation. Direct contact with the group's external advisors necessitates a strong personal presence, which will also be essential in order to meet the demands of a service driven organisation. For the right individual prospects are exceptional.

Comprehensive relocation facilities are available where appropriate. Interested applicants should write to Paul Kinsey, quoting ref: L8447, at Michael Page Partnership, Leigh House, 28-32 St Paul's Street, Leeds LS1 2PX. (Tel: 0532 450212).

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A FINANCIAL PACKAGE WORTH LOOKING INTO South Coast



As one of the World's leading food packaging manufacturers, Sweetheart International produce an extensive range of disposable plastic and paper products, the likes of which millions of people use every day. Within such a competitive environment, the Financial Department plays a key role in the decision making process, both in terms of optimising current production and planning well-ahead within what is a constantly changing business. We currently have two key posts available within the department, both of which report directly to the Finance Director and carry with them an excellent remuneration and benefits package. **Financial Accountant** You'll be responsible for the total financial function of the Company, with a particular emphasis on interdepartmental liaison. Clearly then we're looking for a good communicator, with a 'sleeves rolled up' attitude and the ability to motivate staff. The ideal candidate will be an ACA/ACCA with industrial experience and more than capable of bringing a new dimension of efficiency to this fast moving department. **Management Accountant** You'll be responsible for providing both local and USA management with the vital statistics pertaining to current and long-term development, both in terms of production efficiency and future growth. Consequently we're seeking a seasoned management accountant with ACMA qualifications and ideally a degree of experience in manufacturing industry of this kind. Again, this is anything but an 'armchair position', offering as it does unlimited potential for a self-motivated individual who can work quickly and accurately to strict deadlines. If you've got the sort of qualities we're seeking, and would relish the opportunity of working within a dynamic, expanding company, call us now for an application form or write enclosing CV to Jill Lee, Senior Personnel Officer, Sweetheart International, Rowner Road, Gosport, Hampshire PO13 0FR, England. Telephone: Gosport (0705) 584234. Telex: 86389 SWHEIT G.

Chief Accountant

Sussex

circa. £25,000 + Car

After a number of years of steady growth and progress this company has enjoyed a dramatic doubling of turnover which is now being sustained and built upon. Supplying high value, modern technology capital equipment across the Country it is maintaining its profitable position as one of the top three companies in the market place. As part of the consolidation of its controls and information systems the position of Chief Accountant has been created, reporting to the Financial Controller. Preferred candidates will be qualified accountants between 28 and 35 with previous experience of running a computerised accounts department, preferably within a company supplying capital equipment on a contractual basis.

Interested applicants should send full career and personal details to John Overton FCA, Managing Director, Overton Management Selection, 3 Berkeley Square, London W1X 5HG or telephone 01-408 1401 for an application form quoting reference 12/1128.

OVERTON MANAGEMENT SELECTION

Director of Finance and Operations Pharmaceuticals



Top Job for Business Executive Bexley, Kent Excl. Salary, Exec. Car and Benefits

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- strategic financial planning and monitoring, including an understanding of the operational implications of intercompany transactions and a sound practical knowledge of production costing; and
- the direction of well established financial, production, distribution and personnel departments

Other key responsibilities include:

- managing the company's relationship and negotiating pricing structures with the DHSS; and
- the management of the company's reporting arrangements to its U.S. parent.

We are interested in hearing from financially qualified business managers with good interpersonal and analytical skills and experience of production management. Experience in the pharmaceutical industry will be an advantage once the primary needs have been met. An excellent remuneration package is available including salary commensurate with experience and anticipated contribution, a discretionary bonus, a fully expensed quality car (including private petrol), BUPA, a non-contributory pension scheme and a very attractive share option scheme. If this opportunity attracts you please send details of your career to the Company's consultant: Richard D Nelson, Manager, Human Resource Services, Stoy Hayward Associates, 8 Baker Street, London W1M 1DA.



Stoy Hayward Associates
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OUR TOP FIVE

- CHIEF FINANCIAL ACCOUNTANT - C. LONDON** TO £40,000
Age 30/38 - Leading commodity brokers. + Mort.
Outstanding opportunity for extrovert man manager. + Car
- CHIEF ACCOUNTANT - KENT.** c£30,000
Age 30/40 - Growing sub of P.L.C. group. + Car
Good scope for career as promotion to FD. Likely. + Shares
- INTERNAL AUDIT MANAGER - HEKTS.** £27,000
Age 20/30 - Diverse engineering products group. + Car
Newly created role, established systems, fine potential. + Bens.
- GROUP FINANCIAL CONTROLLER - C. LONDON** c£25,000
Age 25+ - TV and related media interests. + Car
High profile role in PLC media company. + Bens.
- FINANCIAL PLANNING - N. LONDON** £25,000
Age 25+ - Financial services with European growth envisaged. + Mort
High calibre candidates for career structures roles. + Car.

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70 Old Broad Street, EC2M 1QS. F.T. Partnership
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SENIOR ASSISTANT TREASURER

£18,999 - £20,907 (subject to review)

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In addition to responsibility for overall control of accounting, budgeting, forecasting, departmental administration and staff training, the person appointed will deputise for the Treasurer as the 'Proper Officer' for the financial affairs of the Council.

- We offer:
- the opportunity to live and work in the West Country
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 - a mortgage subsidy scheme
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 - an essential user car allowance

If you would like to discuss the post further telephone the Treasurer, Mr C.J. Lowe, on Yeovil (0856 76272, ext. 2590).

Further details are available from the Personnel and Management Services Officer, P.O. Box 32, The Council Offices, Brympton Way, Yeovil, Somerset. BA20 2DE. Direct Line: 0836 706117.

Applications in your own style should be sent to The Personnel and Management Services Officer, P.O. Box 32, The Council Offices, Brympton Way, Yeovil, Somerset. BA20 2DE.

Closing Date: 3rd June 1988

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South Somerset District Council

Young Financial Accountant

... high profile career opportunity

Up to £22,500 plus car Gloucestershire

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Based at Head Office and reporting to the FD, you will have responsibility for budgeting, business analysis, forecasting and financial reporting. You will also undertake special projects which will involve you in broader aspects of business. Close liaison with subsidiary companies throughout England and Wales will entail regular visits to operating sites.

Probably in your mid to late 20's, you will have 2/3 years' relevant post-qualification experience, either in industry or the profession. Knowledge of fast moving manufacturing industry would be especially relevant. This is not a back-room role, and you must have the interpersonal skills to build and maintain working relationships across a wide spectrum. Familiarity with computer-based reporting systems is essential.

Salary for discussion as indicated. The comprehensive benefits package includes relocation expenses where appropriate.

Please write - in confidence - with full details. Neil McLaughlin, Ref. B.65001.

MSL International (UK) Ltd, Oak House, Park Lane, Leeds LS3 1EL.

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MSL International

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If you're young, ambitious and talented and can boast that important blend of financial expertise and business acumen, this could be just the chance you've been waiting for to prove yourself!

Because this major construction equipment supplier is looking for two people, ACMA qualified or equivalent with strong commercial backgrounds to become Financial Controllers for 20 of their outlets.

Essentially your role will be to increase profitability through effective control of stock, credit and financial procedures and by providing information and systems support.

If you have these necessary skills along with the ability to communicate and influence at all levels and can meet the challenges of these important positions, you'll be rewarded with an excellent salary, plus car and a range of generous benefits which include bonus, five weeks' holiday, private health scheme and relocation expenses.

If you think you've got what it takes and would like to apply please write with full C.V. to: Lisa Grant, PER, Rex House, 4-12 Regent Street, London SW1Y 4PP.



Britain's Largest Executive Recruitment Consultants



STRATEGIC ANALYST - RETAIL

Newly/Recently Qualified Accountant

C. London From £20,000 + Car + Performance Bonus

This is a superb opportunity for a NEWLY/RECENTLY QUALIFIED ACCOUNTANT to join the Corporate Finance team within a leading British retail group.

Initially reporting to the Group Treasurer, you will divide your time between learning to deal on London money markets and computer development.

After approximately 18 months, the successful candidate will move into a team monitoring profitability of existing outlets, whilst researching and developing new business opportunities.

Candidates aged 24-28, will be seeking a position which directly affects the company's strategic plans. The benefits package offered includes executive car and performance related bonus of up to 25% of salary.

Please contact ANDREW FISHER, Ref: 5171.

Alderwick Peachell PARTNERS LTD

ALDERWICK PEACHELL and PARTNERS LTD., Financial and Accountancy Recruitment, 125 High Holborn, London WC1V 6QA. Tel: 01-404 3155.

هكذا عن العمل

Divisional Accountant

West Midlands
c£23,000 + Car + Benefits



Evered Holdings Plc, the rapidly expanding Industrial and Quarry Products Group has recently reported its 6th successful year of record pre-tax profits and its turnover has now grown to £230m. It is looking to strengthen its two Divisional Companies, Industrial Products based in West Bromwich and Quarry Products in Solihull.

Each Division requires a Graduate Chartered Accountant with at least three years post qualification experience in industry, to take control of all accounting matters. The role will involve you in the day-to-day management of Divisional finances, the development of more sophisticated computer systems and the acceleration of group reporting deadlines. In addition you will be expected to become involved in financial appraisals

and investigations, helping to develop a sound divisional structure as the company continues to grow.

These interesting and challenging roles require high calibre graduate ACA's aged 27-30, with a flexible approach who can manage both the routine and the ad hoc. You should also be able to motivate and organise in a rapidly developing environment. Success in these roles should lead to promotion to more senior positions in the group.

Interested applicants with the necessary qualifications and experience should apply in the first instance to John Keefe, Executive Division, Michael Page Partnership, Bennetts Court, 6 Bennetts Hill, Birmingham, B2 5ST or call him on 021-643 6255.



Michael Page Partnership

International Recruitment Consultants
London Bristol Windsor St Albans Leatherhead Birmingham Nottingham
Manchester Leeds Glasgow & Worldwide

Financial Management

U.S. TRADING HOUSE

£40,000 + Car + Bonus + Mortgage

The Client is one of the world's largest trading organizations whose Senior Management places a great deal of importance on specialist skills in all areas of operational management, and now wish to recruit a "CHIEF FINANCIAL ACCOUNTANT" to report to the Group Financial Controller.

As part of the financial management team you will assume total control and supervision, with 12 staff, of the statutory, financial accounting and reporting functions for all products traded in the U.K. This includes preparation of all monthly/quarterly schedules and the U.S. reporting packages.

Candidates will be graduate Accountants with proven experience at management level in a medium to large company environment. They must display strong financial accounting, management reporting and systems skills,

combined with high levels of maturity and man management ability. It is essential that candidates are also highly self motivated and ambitious, with strong analytical and conceptual problem solving ability, plus a sound technical knowledge of modern accounting policies and statutory requirements.

For further information, please telephone or write, enclosing full career details to Alex Steele, Firth Ross Martin Associates, Wardgate House, 59a London Wall, London EC2M 5TP. Telephone: 01-628 2441.



FIRTH ROSS MARTIN ASSOCIATES LTD.

Finance Director

Greater Manchester c£27,500 + Car + Benefits

Our client is a highly profitable £22 million turnover packaging subsidiary of a major European organisation. The operation which is based in Greater Manchester, has an enviable record of growth and investment and now employs 380 people.

They now wish to appoint an experienced Finance Director, who, reporting to the Managing Director, will be completely responsible for the finance, data processing and company secretarial functions. In addition to the normal financial and commercial awareness expected with an appointment at this level, initial emphasis will be placed on the implementation of a major manufacturing systems update.

Candidates, aged 30-45, should be qualified accountants who can demonstrate a track record of success gained in a manufacturing environment, well developed man-management skills and a thorough knowledge of computer systems development and project control. A generous salary package, including the provision of an executive car and comprehensive relocation facilities, where necessary, is available.

Interested applicants should contact Stephen K. Banks, ACMA quoting ref 1537 on 061-228 0396 or write to him at Michael Page Partnership, Clarendon House, 81 Mosley Street, Manchester, M2 3LQ.



Michael Page Partnership

International Recruitment Consultants
London Bristol Windsor St Albans Leatherhead Birmingham Nottingham
Manchester Leeds Glasgow & Worldwide

Young Financial Director Rio De Janeiro

Our client, a major UK multinational high tech and manufacturing group is currently seeking a young internationally career minded individual for their Brazilian operations.

Reporting to the Managing Director (Brazil) and functionally to the Group Financial Controller, you will be responsible for the overall finance and systems function for one of the Group's major operations in Latin America. This Division of the Group is highly profitable and is engaged in manufacturing and selling within Brazil.

The ideal candidate will be a qualified graduate accountant aged early 30s, and will have at least 5 years' PQE in commerce and industry. The candidate will possess excellent communication skills and leadership qualities, along with the necessary technical skills

to maintain financial disciplines within the fast-moving Brazilian environment.

A knowledge of Portuguese would be useful, but is not essential as long as the candidate does possess basic linguistic abilities. Language assistance will be given if necessary.

For this challenging position the rewards are excellent and will offer the successful candidate not only a highly attractive salary but a comprehensive expatriate benefit package. In addition to this, the Group's worldwide operations offer outstanding prospects for career development.

Interested applicants should contact Warwick Holland on London (01) 831-0431 or write, enclosing a full CV to Michael Page International, 39-41 Parker Street, London WC2B 5LH.



Michael Page International

Specialists in Finance Recruitment
London Amsterdam Brussels New York Paris Sydney

GROUP CHIEF ACCOUNTANT

Circa £30K + bonus + car

As one of the UK's most prominent and successful group of companies engaged in the construction and property industries, Tilbury is enjoying a period of rapid growth and development. Against this background we are seeking to recruit an experienced qualified Accountant to assume the role of Group Chief Accountant.

Managing a close team of Accountants, your responsibilities will be wide-ranging. They will include consolidating and reporting on accounts, budgets and forecasts; demanding that you liaise closely with subsidiary Company Directors, day-to-day running of the Group Treasury function and the preparation of statutory accounts for all Group companies. These and other duties will demand that you have attained a recognised accountancy qualification and gained a high level of experience, especially in the areas of consolidation and computerised systems.

In return for your commitment, you can expect a highly attractive salary together with an excellent range of benefits including a generous bonus and company car. The position is based at Twyford in Berkshire and assistance with relocation will be provided if required.

To find out more, please apply in writing or telephone for an application form to:
David L. Griffiths, Personnel Manager, Tilbury Group Plc., Tilbury House, Twyford, Reading, Berkshire RG10 9JU Tel: 0734 345868

We are an equal opportunities employer



EUROPE 1992: BANKING ON YOUR FUTURE?

Chartered
Accountant
Aged 24 - 29
£25,000 + Car
+ mortgage + bonus

When 1992 arrives, the demand for high calibre management with European experience will be unprecedented. With this in mind, our client, a leading continental bank in the top 100, is expanding its London operations.

Motivating a small team you will be the focal point for the day-to-day financial control of the London branch. Specific responsibilities include financial/management reporting, budget/plans, MIS and a range of ad hoc assignments designed to track performance and to improve bottom line results.

Applicants should have relevant sector experience, gained either in practice or in a bank, and be able to demonstrate sound interpersonal skills and potential.

If you are seeking a career move with excellent prospects in an environment of change, please write briefly enclosing a C.V. or telephone for a personal history form, in either case quoting ref. 5085, to Angela Britton, Banking/Finance Appointments.



EXECUTIVE CONNECTIONS

RECRUITMENT SELECTION & ADVERTISING

3rd Floor 43 Eagle Street
London WC1R 4AP Tel: 01-242 8103
or call John Constable on 01-549 5519 out of hours

Deputy Company Secretary

CHELTENHAM

RoyScot Finance Group plc is one of the five operating divisions of The Royal Bank of Scotland Group plc. The Finance Group provides a highly competitive and extensive range of financial services through its principal trading companies, one of which is an authorised institution under the Banking Act. These facilities include corporate and consumer instalment credit, major leasing facilities, credit card and instore managed card operations, fleet contract hire and business factoring facilities.

Based at Cheltenham the appointee will report to the Company Secretary and take responsibility for the detailed statutory requirements relating to Company administration for a number of the subsidiary companies, together with responsibility for the day to day administration of the office and integral computer systems. In addition to deputising for the Company Secretary the person appointed will be expected to provide legal and technical advice to the subsidiary trading Companies on Company Law matters.

Potential for further promotion will be a key requirement as succession to the senior post can reasonably be expected within two years.

The successful applicant is likely to be 25-35; an ACIS with at least two years Company Secretariat experience. A highly attractive benefit package will include subsidised mortgage facility, non-contributory pension and life assurance scheme, private health insurance and profit related sharing scheme.

Please write with curriculum vitae details to P.R.H. Preston, Personnel Department, RoyScot Finance Group plc, RoyScot House, The Promenade, Cheltenham, Glos. GL50 1PL.



CHIEF ACCOUNTANT

COMPUTER INDUSTRY £25K + Car + Petrol

Our client is a growing company, leading the market in the sale and service of IBM computer plug peripherals.

At its headquarters in Staines, the Finance Department plays a vital role in determining the future direction of expansion and ensuring the continuing profitability of the business. Within the Department a vacancy exists for a Chief Accountant.

Reporting to the Finance Director, the appointee will be responsible for providing accurate, clear and detailed reports, preparing statements and forecasts and ensuring that effective financial systems and control procedures are both established and maintained for the entire UK operation.

This is an opportunity that provides considerable scope for a Chartered Accountant, aged 30-35, who wishes to grow with and influence an expanding company.

In addition to an attractive salary, there is also an excellent benefits package as one would expect from a major international company. Write in strict confidence, with full career details to Mike Heal, quoting reference FT/189. Please list separately any company to which you do not wish your application to be forwarded.

Withers Diamond & Wood Brigdale Ltd.
Recruitment Advertising

36-38 Mortimer Street, London WIN 7RB Telephone 01-255 3063

ENTREPRENEURIAL ACCOUNTANTS

C. LONDON NEG. c. £22,000 - £24,000 + CAR
Our clients are a WEST END based investment house with varying controlling interests in a number of public quoted companies with substantial growth potential.

Reporting to the GROUP FINANCIAL CONTROLLER, there are now TWO VACANCIES for young qualified ACA/CACA/CIMA's aged 22-30 to assist with financial analysis and investigative work in addition to routine financial reporting for the directors and senior executives.

The successful candidates are likely to be lively, energetic and ambitious and will particularly thrive in a challenging environment. Both positions will offer the opportunity to work closely with gifted, visionary entrepreneurs.

Contact: GEORGE D MAXWELL, MANAGING DIRECTOR
ACCOUNTANCY APPOINTMENTS EUROPE
1-3 Mortimer Street, London WIN 7RH
Telephone: 01-580 7739/7695

UNICEF UK

HEAD OF MANAGEMENT SERVICES

Are you - a qualified accountant? An experienced administrator? Willing to place your skills at the service of the world's children?
The UK Committee for UNICEF, responsible for developing and managing support in Britain for the work of the United Nations Children's Fund, is looking for an imaginative, dedicated accountant to head its administrative and financial affairs.

Responsibilities include budgeting, management of raised funds, financial reporting and computer systems development. Key commercial awareness must be linked with understanding of the special needs of a major UK registered charity and the ability to manage staff in two locations - Central London and Cheltenham.

The Head of Management Services is responsible through the Director to the Executive Board of UNICEF UK for all financial matters. The post offers great scope for career advancement and financial remuneration which will not be less than £17,000 pa.

Applications, marked MS/FT to The Director, UK Committee for UNICEF, 55 Lincoln's Inn Fields, London WC2A 3BB Closing date: Monday, 30 June



CENTRAL

Assistant Treasurer

Birmingham,
c £20,000,
Excellent Benefits Package

Central Independent Television Plc, a major force within the ITV network, was the only ITV company to receive a Queen's Award for Export Achievement in 1987 and is continuing to expand involvement in programme making overseas. The company faces a challenging future in which the finance function will have a high profile. The effective management of sterling and currency funds within the group is becoming increasingly specialised and the role of the Treasury function more and more vital. In addition to liquidity and currency management, the post of Assistant Treasurer will also involve the funding and monitoring of subsidiary and associated companies, the maintenance and development of banking relationships and long term Treasury planning and performance reporting. Aged 26-30, the successful candidate will probably be an accountant with an additional qualification or experience in banking, and will have the ability and personality for future development.

Male or female candidates should submit in confidence a comprehensive c.v. or telephone for a Personal History Form to, R.J. Arnold, Hoggett Bowers plc, 13 Frederick Road, Edgbaston, BIRMINGHAM, B15 1JD, 021-435 7575, quoting Ref: B17055/FT.

Hoggett Bowers

Executive Search and Selection Consultants
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COMMODITIES AND AGRICULTURE

Australian gold industry to lose tax break

BY CHRIS SHERWELL IN SYDNEY

AUSTRALIA'S LABOR Party Government yesterday decided to tax earnings from gold mining, ending the country's only blanket exemption for the entire income of an industry.

AUSTRALIAN gold miners would work hard before 1991 to persuade the Government to change its mind about taxing their companies, said Mr Hugh Morgan, managing director of Western Mining.

was no logical reason for the gold companies to be treated differently from others. The announcement removed uncertainties - about when and in what way gold companies would be taxed - which had had a depressing effect on Australian gold shares, he said.

It was unclear, however, whether the royalties mining companies pay to the states of Queensland and Tasmania (between 5 and 7 per cent) and South Australia and New South Wales (2.5 and 4 per cent respectively) would be taken into account when assessing tax liabilities.

Further cuts in funding for wool promotion, from AS\$5m in 1987-88 to AS\$3m in each of the next three years, because of the booming wool price, the industry is reckoned to have enough to meet its own commitments.

Malaysian markets see surge in rubber, tin and palm oil prices

BY WONG SULONG IN KUALA LUMPUR

PRICES OF rubber, palm oil and tin yesterday surged to new highs on the Malaysian commodity markets on the back of strong overseas demand and speculative purchases.

On the Kuala Lumpur Tin Market, physical tin put on 7 cents to 17.63 ringgits a tonne, the highest level for the past two years.

stock manager's sales have had little impact on prices. This is a tremendous psychological boost to producers.

Kenneth Gooding on plans to revive the historic Parys Mountain mine Digging deeper for Anglesey's minerals

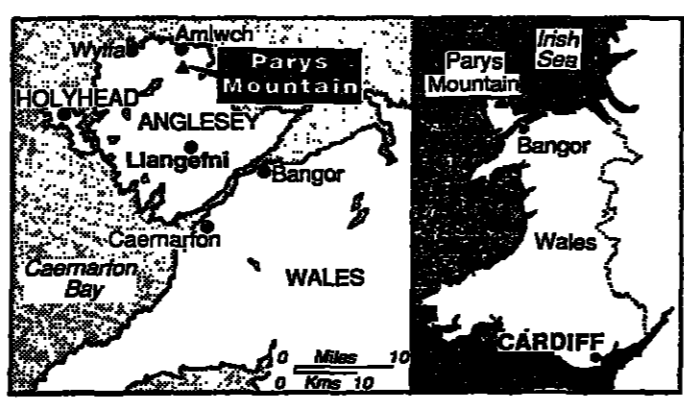
THE FIRST time Hugh Morris peered into the depths of the huge open-pit Parys Mountain mine on the island of Anglesey, North Wales, he was a wide-eyed six-year-old.

Today the mountain resembles a moonscape - a curious mixture of yellow, green and red rock is almost covered in waste dumps and heaps of slag from the fires used to oxidise the copper ore.

Mr Morris, a geologist like his father, has 30 years' experience in the minerals industry, including a period as chief geologist and director for Cominco. He is now chairman of both Imperial and Anglesey.

He believed that previous mining only scratched the surface of Parys Mountain - the old-time miners did not have the benefit of modern rigs able to drill half a mile deep or the technical ability to deal with the compound sulphide metal ores to be found at Parys Mountain.

55m for the first development phase. Applications for the shares have to be in tomorrow.



Algae threaten Norwegian fish

BY KAREN FOSSLI IN OSLO

AN ALGAE which has made its way from the Balkan Sea is threatening to ruin Norway's NKISm, a year (25000 fish farming industry).

campaign to keep the fish farmers informed of its spread. They have also suggested that farmed salmon and trout be protected from the algae by underwater canvas fences.

deploying ships and planes to monitor the algae which is being spread by a coast stream westward by south-east winds. These weather conditions are expected to persist through the weekend, causing fear that the bulk of Norway's fish farms could be hit.

US aluminium output forecast to rise

BY KENNETH GOODING

US ALUMINIUM output could rise this year by 15 per cent from the 1987 level to 3.85m tonnes, so marked or its renaissance so, according to the Shearson Lehman Hutton metals research unit, and a further increase can be expected in 1989.

"It is difficult to think of an industry whose decline has been dramatic."

The US companies' fortunes have changed not simply because of higher prices and increased demand but because they have cut costs by closing smelters and introducing technological and efficiency improvements in smelters which remained.

WORLD COMMODITIES PRICES

LONDON MARKETS

LEAD PRICES rose sharply on the LME yesterday. Tightness of nearby supplies pushed cash metal up by 25.50 a tonne to 2395, widening the cash premium over three-month metal to 54.50 from 51.50.

Table with columns: Commodity, Close, Previous, High/Low. Includes COCOA, COFFEE, SUGAR, and various oils.

Table with columns: Commodity, Close, Previous, High/Low. Includes LONDON METAL EXCHANGE and various metals.

Table with columns: Commodity, Close, Previous, High/Low. Includes SOYABEAN MEAL, POTATOES, and various grains.

Table with columns: Commodity, Close, Previous, High/Low. Includes SOYABEAN OIL, WHEAT, and various agricultural products.

Table with columns: Commodity, Close, Previous, High/Low. Includes CRUDE OIL, HEATING OIL, and various energy products.

Table with columns: Commodity, Close, Previous, High/Low. Includes SOYABEAN OIL, WHEAT, and various agricultural products.

SPOT MARKETS

Crude oil (per barrel FOB) \$14.84-85u +0.01. Brent Blend \$16.30-31u -0.06. WTI-1st (on sea) \$17.28-29u -0.04.

Table with columns: Commodity, Close, Previous, High/Low. Includes various oil and gas prices.

Table with columns: Commodity, Close, Previous, High/Low. Includes various metal and mineral prices.

Table with columns: Commodity, Close, Previous, High/Low. Includes various agricultural and commodity prices.

Table with columns: Commodity, Close, Previous, High/Low. Includes various energy and commodity prices.

Table with columns: Commodity, Close, Previous, High/Low. Includes various energy and commodity prices.

Table with columns: Commodity, Close, Previous, High/Low. Includes various energy and commodity prices.

GRAINS

Wheat (US No. 3 yellow) \$1.35. Wheat (US Dark Northern) \$1.08. Rubber (Latex) \$1.00.

Table with columns: Commodity, Close, Previous, High/Low. Includes various grain and commodity prices.

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CURRENCIES, MONEY AND CAPITAL MARKETS

FOREIGN EXCHANGES

Pound and dollar await data

STERLING AND the dollar continued to hold within a narrow range yesterday. While investor attention moved towards yen/D-Mark and Australian dollar, dealers stressed that this merely showed how lacklustre trading had become.

Attention is expected to return to the pound and dollar today and tomorrow, with the release of key economic data. Today sees the revision to 1st quarter US GNP figures. An upward correction is expected, but dealers will also keep an eye on the p.m. p.c. inflation rate which would be taken today.

The dollar closed at DM1.7055 from DM1.7025 and was unchanged against the yen at SF1.4245 from SF1.4220 and FF5.7470 compared with FF5.7475. On Bank of England figures, the dollar's exchange rate index rose from 93.1 to 93.3.

Sterling opened slightly weaker and finished little changed from the start. Its exchange rate index closed at 78.3, the same as the opening, and compared with 78.4 on Tuesday. Insufficient demand to push through \$1.8700 and DM2.1800 led investors a little nervous ahead of tomorrow's release of trade figures for April. Consequently the pound eased back from Tuesday's levels to finish at DM2.1775 from DM2.1900 and \$1.8630 against \$1.8675. It was also weaker against the yen at Y21.50 from

Y22.25. Elsewhere it finished at FF10.6950 from FF10.7350 and SF2.6550, unchanged from Tuesday. While fears of central bank intervention slowed down the yen's rise against the dollar, there was no holding it back against European currencies. The D-Mark slipped to Y22.04 during the morning, down from Y23.03 in Tokyo and Y23.16 on Tuesday before closing at Y22.97.

The D-Mark also suffered at the hands of the French franc, falling to a 3 1/2-month low at the Paris fixing. It slipped to FF3.5769 from FF3.5793 as the French franc improved, despite comments by Mr Pierre Boregoy, French Finance Minister, which hinted strongly that domestic interest rates could be cut within the next few days.

The D-Mark lost its sparkle in Frankfurt trading, losing ground to the yen, starting and the US dollar. The US unit rose to DM1.7055 from DM1.7010 on Tuesday. The Australian dollar continued to attract investor demand, it broke through \$0.7900 in Tokyo for the first time in over three years, before slipping just under that level at the close.

Trading volume was probably a little lower than usual however, with many dealers and managers attending a foreign exchange conference in Hawaii. In later European trading the Australian unit moved up from \$0.7875 to \$0.7900, in reaction to the mini-budget details announced by Mr Paul Keating, Australian Treasurer. Economists suggested that the package - which included cuts in Government spending and corporation tax - was a positive step towards tackling Australia's economic problems.

However the Australian dollar slipped to \$2.7890 soon after but finished in London at \$0.7888.

Estimated volume total, Calls 292 Puts 600 Previous day's open at, Calls 134 Puts 220

Estimated volume total, Calls 100 Puts 100 Previous day's open at, Calls 257 Puts 261

Estimated volume total, Calls 100 Puts 100 Previous day's open at, Calls 120 Puts 100

FINANCIAL FUTURES

Little reason to trade

VOLUME WAS depressed on the Life market yesterday, with dealers finding little reason to trade, and every excuse to remain on the sidelines.

June long gilts moved in a narrow band of 120-10 to 120-20, before closing at 120-17, compared with 120-12 on Tuesday.

The only event of any significance for the market was the Bank of England's tender of \$800m 8 1/4 p.c. Treasury 1993 stock.

Traders suggested that the fact 90 p.c. of the stock was allotted at the minimum price of 97.25 could be regarded as slightly disappointing.

The issue was not free of tax to residents abroad, and with a term of less than five years, appears to have been aimed at building societies, which should be liquid at present after an encouraging intake of funds last month.

The result probably means the market is long of stock, but the forecast of another public sector surplus this year suggests the authorities are under no pressure. Starting failed to provide any fresh impetus, and appears to have run out of steam, until there is a new incentive to trade. This could be provided by tomorrow's UK trade figures for April. Latest forecasts are for a current account deficit of \$492m to \$500m, but a lower figure may result upward pressure on the pound.

Table with columns: Strike, Calls-settlements, Puts-settlements, Price, Bid, Ask, Prev. Price

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Table with columns: Strike, Calls-settlements, Puts-settlements, Price, Bid, Ask, Prev. Price

£ IN NEW YORK

Table with columns: May 25, Latest, Previous Close

STERLING INDEX

Table with columns: May 25, Previous

CURRENCY RATES

Table with columns: May 25, Bid, Offer, Previous

CURRENCY MOVEMENTS

Table with columns: May 25, Bank of England, Morgan's

OTHER CURRENCIES

Table with columns: May 25, Bid, Offer, Previous

EMS EUROPEAN CURRENCY UNIT RATES

Table with columns: Country, Unit, % change from previous, % change against dollar

POUND SPOT-FORWARD AGAINST THE POUND

Table with columns: May 25, Day's spot, One month, Three months, Six months, One year

DOLLAR SPOT-FORWARD AGAINST THE DOLLAR

Table with columns: May 25, Day's spot, One month, Three months, Six months, One year

EURO-CURRENCY INTEREST RATES

Table with columns: May 25, Short term, 7 day notice, One month, Three months, Six months, One year

EXCHANGE CROSS RATES

Table with columns: May 25, £, \$, DM, Yen, F.Fr., S.Fr., H.Fr., Lin, C.S., B.Fr.

LONDON (LIFED)

Table with columns: May 25, Day's spot, One month, Three months, Six months, One year

CHICAGO

Table with columns: May 25, Day's spot, One month, Three months, Six months, One year

NEW YORK

Table with columns: May 25, Day's spot, One month, Three months, Six months, One year

STOCKS

Table with columns: May 25, Day's spot, One month, Three months, Six months, One year

MONEY MARKETS

Tight conditions

INTEREST RATES remained steady on the London money market yesterday. Tomorrow's UK trade figures may provide direction, particularly if they reinforce the generally optimistic tone at present.

Three-month interbank was quoted at 7 1/2 p.c., compared with 7 1/4 p.c. Credit conditions were tight in London, but the discount houses showed a general reluctance to sell bills outright to the Bank of England at the present dealing rate.

FT LONDON INTERBANK FIXING

Table with columns: 3 month US dollars, 6 month US Dollars, 3 month UK Sterling, 6 month UK Sterling

MONEY RATES

Table with columns: May 25, Overnight, One Month, Three Months, Six Months, Limited Intervention

LONDON MONEY RATES

Table with columns: May 25, Overnight, 7 day notice, One Month, Three Months, Six Months, One Year

U.S. \$75,000,000 Instituto de Credito Oficial ICO (a public entity of the Spanish State) Floating Rate Notes due 1992

Company Notices BAT INDUSTRIES B.A.T. INTERNATIONAL FINANCE PLC. -10 1/4% Guaranteed Notes 1991

Legal Notices HEAT TREATMENT SERVICES (SOUTH WALES) LIMITED

IG INDEX LTD, 9-11 GROSVENOR GARDENS, LONDON SW1W 0BD

Jonathan Wren FINANCIAL CONTROLLER Fast moving service-sector company c£25,000 + car + profit share

GRADUATES Accountancy Tax Training Contracts (ACA or ATT) to £9 - £10,500

Financial Director ... a highly commercial international role c. £35,000 + benefits West of London

EUROPEAN OPTIONS EXCHANGE

Table with columns: Series, Vol, Last, etc. for various options.

Table with columns: Vol, Last, etc. for various options.

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Table with columns: Vol, Last, etc. for various options.

TOTAL VOLUME IN CONTRACTS 21 941

BASE LENDING RATES

Table listing various banks and their base lending rates.

FT UNIT TRUST INFORMATION SERVICE

AUTHORISED UNIT TRUSTS

Large table listing various unit trusts with columns for Name, Manager, and other details.

FT CROSSWORD No.6,640

Crossword puzzle grid with numbers.

ACROSS and DOWN clues for the crossword puzzle.

Table listing M & G Securities and other financial data.

Handwritten signature or mark at the bottom of the page.

FT UNIT TRUST INFORMATION SERVICE

Table of financial data for various unit trusts, including columns for fund names, managers, and performance metrics.

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INSURANCES

Table of insurance-related financial data, including company names and key figures.

Table of insurance-related financial data, including company names and key figures.

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Table of insurance-related financial data, including company names and key figures.

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Table of insurance-related financial data, including company names and key figures.

FT UNIT TRUST INFORMATION SERVICE

Main table containing unit trust information, organized into columns for various fund categories such as Prudential Assurance Co Ltd, Standard Life Assurance Co Ltd, and others. Each entry includes fund names, descriptions, and numerical data.

MANAGEMENT SERVICES

Table listing management services provided by various firms, including names of companies and their respective services.

OFFSHORE AND OVERSEAS

Table listing offshore and overseas investment opportunities, including fund names, locations, and key details.

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FT UNIT TRUST INFORMATION SERVICE

Table of FT Unit Trust Information Service listing various unit trusts, their managers, and performance metrics.

LONDON SHARE SERVICE

BRITISH FUNDS

Table of British Funds including categories like 'Shorts' Lives up to Five Years, 'Five to Fifteen Years', and 'Over Fifteen Years'.

BRITISH FUNDS - Contd

Continuation of British Funds table with 'Index-Linked' and 'Govt Sterling Issues' categories.

FOREIGN BONDS & RAILS

Table of Foreign Bonds & Rails listing various international investment options.

INT. BANK AND O'SEAS GOVT STERLING ISSUES

Table of International Bank and Overseas Government Sterling Issues.

CORPORATION LOANS

Table of Corporation Loans.

COMMONWEALTH & AFRICAN LOANS

Table of Commonwealth & African Loans.

LOANS

Table of Loans.

Public Board and Ind.

Table of Public Board and Industrial shares.

Financial

Table of Financial shares.

AMERICANS

Table of American shares and investments.

Continued on next page

Large table of Money Market and Trust Funds, including sections for Money Market, Trust Funds, and Money Market Bank Accounts.

Money Market

Trust Funds

Money Market Bank Accounts

UNIT TRUST NOTES: Price rise in price index... FT UNIT TRUST INFORMATION SERVICE

LONDON SHARE SERVICE

AMERICANS - Contd. Table with columns for company name, price, and other financial metrics.

BUILDING, TIMBER, ROADS - Contd. Table listing various construction and infrastructure companies.

DRAPERY AND STORES - Contd. Table listing retail and clothing companies.

ENGINEERING - Contd. Table listing engineering and technology companies.

INDUSTRIALS (Misc.) - Contd. Table listing various industrial companies.

INDUSTRIALS (Misc.) - Contd. Table listing various industrial companies.

CANADIANS Table listing Canadian companies and their share prices.

BANKS, HP & LEASING Table listing financial and leasing companies.

ELECTRICALS Table listing electrical and utility companies.

ENGINEERING - Contd. Table listing engineering and technology companies.

INDUSTRIALS (Misc.) - Contd. Table listing various industrial companies.

INDUSTRIALS (Misc.) - Contd. Table listing various industrial companies.

BANKS, HP & LEASING Table listing financial and leasing companies.

CHEMICALS, PLASTICS Table listing chemical and plastic companies.

DRAPERY AND STORES Table listing retail and clothing companies.

ENGINEERING - Contd. Table listing engineering and technology companies.

INDUSTRIALS (Misc.) - Contd. Table listing various industrial companies.

INDUSTRIALS (Misc.) - Contd. Table listing various industrial companies.

BEERS, WINES & SPIRITS Table listing beverage companies.

DRAPERY AND STORES Table listing retail and clothing companies.

ENGINEERING Table listing engineering and technology companies.

FOOD, GROCERIES, ETC Table listing food and grocery companies.

INDUSTRIALS (Misc.) - Contd. Table listing various industrial companies.

INDUSTRIALS (Misc.) - Contd. Table listing various industrial companies.

BUILDING, TIMBER, ROADS Table listing construction and infrastructure companies.

DRAPERY AND STORES Table listing retail and clothing companies.

ENGINEERING Table listing engineering and technology companies.

HOTELS AND CATERERS Table listing hotel and catering companies.

INDUSTRIALS (Misc.) - Contd. Table listing various industrial companies.

INSURANCES Table listing insurance companies.

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LONDON SHARE SERVICE

LEISURE - Contd

Table of stock prices for Leisure sector including companies like British Skyways, British Airways, and others.

PAPER, PRINTING, ADVERTISING - Contd

Table of stock prices for Paper, Printing, Advertising sector including companies like News International, Newsprint, and others.

TEXTILES - Contd

Table of stock prices for Textiles sector including companies like British Textiles, and others.

TRUSTS, FINANCE, LAND - Contd

Table of stock prices for Trusts, Finance, Land sector including companies like British Land, and others.

OIL AND GAS - Contd

Table of stock prices for Oil and Gas sector including companies like British Petroleum, and others.

MINES - Contd

Table of stock prices for Mines sector including companies like Anglo American, and others.

MOTORS, AIRCRAFT TRADES

Table of stock prices for Motors, Aircraft Trades sector including companies like British Aerospace, and others.

PROPERTY

Table of stock prices for Property sector including companies like British Land, and others.

TOBACCO

Table of stock prices for Tobacco sector including companies like British American Tobacco, and others.

TRUSTS, FINANCE, LAND

Table of stock prices for Trusts, Finance, Land sector including companies like British Land, and others.

Finance, Land, etc

Table of stock prices for Finance, Land, etc sector including companies like British Land, and others.

OVERSEAS TRADERS

Table of stock prices for Overseas Traders sector including companies like British Overseas Airways, and others.

PLANTATIONS

Table of stock prices for Plantations sector including companies like British Plantations, and others.

MINES

Table of stock prices for Mines sector including companies like Anglo American, and others.

Miscellaneous

Table of stock prices for Miscellaneous sector including companies like British Airways, and others.

THIRD MARKET

Table of stock prices for Third Market sector including companies like British Airways, and others.

NEWSPAPERS, PUBLISHERS

Table of stock prices for Newspapers, Publishers sector including companies like News International, and others.

SHIPPING

Table of stock prices for Shipping sector including companies like British Skyways, and others.

SHOES AND LEATHER

Table of stock prices for Shoes and Leather sector including companies like British Airways, and others.

SOUTH AFRICANS

Table of stock prices for South Africans sector including companies like Anglo American, and others.

TEXTILES

Table of stock prices for Textiles sector including companies like British Textiles, and others.

OIL AND GAS

Table of stock prices for Oil and Gas sector including companies like British Petroleum, and others.

Diamond and Platinum

Table of stock prices for Diamond and Platinum sector including companies like Anglo American, and others.

Central African

Table of stock prices for Central African sector including companies like Anglo American, and others.

Finance

Table of stock prices for Finance sector including companies like British Land, and others.

REGIONAL & IRISH STOCKS

Table of stock prices for Regional & Irish Stocks sector including companies like Anglo American, and others.

IRISH

Table of stock prices for Irish Stocks sector including companies like Anglo American, and others.

TRADITIONAL OPTIONS

Table of stock prices for Traditional Options sector including companies like Anglo American, and others.

Property

Table of stock prices for Property sector including companies like British Land, and others.

Oils

Table of stock prices for Oils sector including companies like Anglo American, and others.

Mines

Table of stock prices for Mines sector including companies like Anglo American, and others.

A selection of Options traded in the London Stock Exchange Options Page

This service is available in every Company's list in the London Stock Exchange's Official List for a fee of £200 per annum for each security.

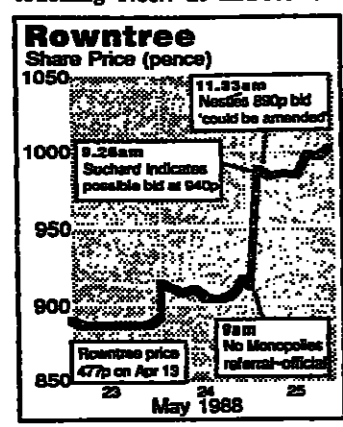
LONDON STOCK EXCHANGE

Glaxo downgrading checks equity gains as Rowntree decision boosts food stocks

Account Dealing Dates table with columns for Option, First Declared, Last Account, etc.

THE OFFICIAL announcement that Nestlé's £2.1bn bid for Rowntree, the UK chocolate firm, would not have to face the UK Monopolies and Mergers Commission inspired another hectic day's trading in food shares on the London stock market.

With the announcement quickly followed by Jacobs Suchard's disclosure that it was prepared to top Nestlé's terms with an offer of 940p a share for Rowntree, and then that Nestlé's 890p offer could be amended, shares in the chocolate manufacturer soared by 83p to close at (10).



Seaq turnover jumped to 537.2m, boosted again by heavy trading in selected speculative issues. Rowntree shares opened easier but turned sharply upwards when the decision against Monopoly Commission reference reached the market at 9.00am.

Disclosure that General Cinema had lifted its stake in Cadbury to 18.4 per cent quickened market belief that the US firm hopes to sell its stake on to a third party. Turnover of 17m left Cadbury shares a further 11 higher at 372p.

The blue chip industrials were helped by the favourable reception accorded to trading statements from BAT Industries and Hanson, although Countrails turned easier despite a higher dividend.

However, the widespread mark-down in Glaxo shares upset the market towards the close. Several analysts had begun to express concern over Glaxo's prospects in the Japanese market, but yesterday's developments came as an unwelcome surprise in the marketplace.

FINANCIAL TIMES STOCK INDICES table with columns for Government Secs, Fixed Interest, Ordinary, Gold Mines, etc., and sub-sections for S.E. ACTIVITY and Day's High 1439.3.

LONDON REPORT AND LATEST SHARE INDEX: TEL. 0898 123001

chairman, said he "thought the group was on the way to winning". He also reiterated that BAT may consider raising its 863 per share bid. In a more active trading session (3.7m) the BAT share price closed 11 higher at 414p.

Wills continued in the limelight as the group announced half-year figures at the top end of analysts' estimates and a better-than-expected increase in the dividend. Pre-tax profits of £356m (5312m) prompted an upward re-rating for the full year by several investment houses.

gins was seeking to increase its stake of around 5 per cent in Wills. Plessey shares were heavily bought ahead of today's fourth quarter figures which analysts say should be sufficient to boost the bid from 145p to 155p.

Rowntree was interpreted by some as opening the way for Continental insurance companies to move in on the UK insurance groups. Abbey Life remained a strong market and jumped 9 more to 287p while talk that FAI was upping its stake lifted Pearl 5 to 462p.

News of the reduction in the rate of Australian corporation tax stimulated further demand for BTR which was heavily traded (10m) and closed 6 to the good at 256p. In contrast, British Airways, reflecting the market's cautious response to the preliminary figures, ran into selling and closed 4 lower at 145p.

former over the past couple of days after a James Capel 'buy' recommendation, came under sustained selling pressure after it was announced that the proposed Hong Kong Telecommunications sale of a 55 per cent stake in C & W and a similar amount by C & W and a similar amount by the Hong Kong Government had been postponed to September or October.

Among the Brewers there were firm markets in Allied, up 5 to 425p on volume of 4.7m, and Scottish & Newcastle, up 1 to 232p having touched 327p. Bass finally improved after last week's figures and rose 7 to 805p.

pointing in view of the profits increase to £55.1m (536.4m). VPI rose up 6 to 306p in sympathy. Property shares maintained a firm trend as Speyhawk announced annual pre-tax profits up from £3.4m to £7.9m and improved 9 further to 374p.

Traditional Options section listing various options and their prices.

FT - ACTUARIES INDICES

These indices are the joint compilation of the Financial Times, the Institute of Actuaries and the Faculty of Actuaries

Table of EQUITY GROUPS & SUB-SECTORS with columns for Index, Day's Change, etc., and a summary of FT-100 SHARE INDEX.

FIXED INTEREST

Table of FIXED INTEREST with columns for Price, Index, Day's Change, etc.

LONDON TRADED OPTIONS

Table of LONDON TRADED OPTIONS with columns for Option, Calls, Puts, etc.

NEW HIGHS AND LOWS FOR 1988

Table of NEW HIGHS AND LOWS FOR 1988 listing various stocks and their performance.

TRADING VOLUME IN MAJOR STOCKS

The following is based on trading volume for Alpha Securities dealt through the SEAG system yesterday until 5 pm.

Table of TRADING VOLUME IN MAJOR STOCKS with columns for Stock, Volume, etc.

RISES AND FALLS YESTERDAY

Table of RISES AND FALLS YESTERDAY with columns for Rise, Fall, Same, etc.

EQUITIES

Table of EQUITIES with columns for Price, Change, etc.

FIXED INTEREST STOCKS

Table of FIXED INTEREST STOCKS with columns for Price, Change, etc.

"RIGHTS" OFFERS

Table of "RIGHTS" OFFERS with columns for Price, Change, etc.

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WORLD STOCK MARKETS

Table of stock market data for various countries including France, Germany, Italy, Japan, and the UK. Columns include country, date, and various stock indices.

Table of stock market data for Australia, Canada, and other regions. Columns include country, date, and various stock indices.

CANADA

Table of Canadian stock market data, including Toronto and Montreal closing prices for various stocks.

OVER-THE-COUNTER

Table of over-the-counter market data, listing various stocks and their prices.

INDICES

Table of various stock indices including Dow Jones, Nikkei, and others, with columns for date and index value.

CHIEF LONDON PRICE CHANGES YESTERDAY

Table showing price changes for various commodities and currencies in London.

TOKYO - Most Active Stocks

Table listing the most active stocks in Tokyo and their trading volumes.

Advertisement for Financial Times magazine, featuring the headline 'Have your F.T. hand delivered in Switzerland' and '12 FREE ISSUES'.

NEW YORK STOCK EXCHANGE COMPOSITE PRICES

Closing Prices May 25

Main table containing stock prices, organized into columns with headers like 'High', 'Low', 'Open', 'Close', 'Change', and 'Volume'. Includes various stock tickers and their corresponding market data.

Continued on Page 41

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NYSE COMPOSITE PRICES

Table of NYSE Composite Prices listing various stocks with columns for High, Low, and Change.

AMEX COMPOSITE PRICES

Table of AMEX Composite Prices listing various stocks with columns for High, Low, and Change.

OVER-THE-COUNTER

Table of Over-the-Counter prices listing various stocks with columns for High, Low, and Change.

Advertisement for Financial Times featuring the headline 'Have your F.T. hand delivered in Germany' and contact information for Karl Capp and Bill Vogatzis.

Nasdaq national market, Spot Prices May 25

Continued on Page 39

AMERICA

Dow drifts lower in quiet trading

Wall Street

EQUITIES drifted higher yesterday but the rise had little conviction and shares slipped back to close modestly lower on the day...

A representative of the New York Stock Exchange said on Tuesday that the exchange shared the concern of many in the industry about low volume...

Expectations for the sale were also positive because there were believed to be some substantial short positions in the market...

Among featured stocks yesterday were Satchel & Satchel, the advertising agency whose American Depository Shares listed on the New York Stock Exchange...

Hilary de Boerr on the poor performance of a defensive sector European chemicals show little fizz

LEADING European chemical stocks have performed poorly since the start of the year, hit by the weaker dollar and fears of an impending recession...

the largest in the world, and the weaker dollar has attacked European producers on two fronts. Exports to the US from Europe are hit, while earnings from local production in the US are also reduced...

Table with columns: Share name, % change in share price, % change relative to market. Includes companies like Explosives, Solvay, Alcoa, etc.

company, which has underperformed the Paris bourse by 11 per cent, is also exposed to interest rate rises. The European sector does hold some surprises, though...

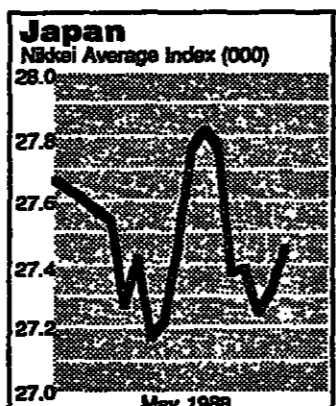
ASIA

Buying interest grows as fears of US inflation ease

Tokyo

AN EASING of inflation fears in the US and an overnight advance by stocks on Wall Street gave a strong lift to buying interest in Tokyo yesterday...

Its popularity was spurred by the announcement of a 37 per cent year-on-year growth in the company's recurring profit for the business year ended March 1988...



NEW ZEALAND'S Barclay Index broke back through the 2,600 level in a sustained rally that has lasted almost a fortnight. The index rose 23 to 2,617 - its highest since mid-April...

Canada

TORONTO SHARE prices drifted through a lacklustre session to post a small loss in quiet trading. The composite index, which had risen about nine points in earlier trading, slipped 3.86 to 3,179.82...

EUROPE

Paris shines in broad rally as turnover rises

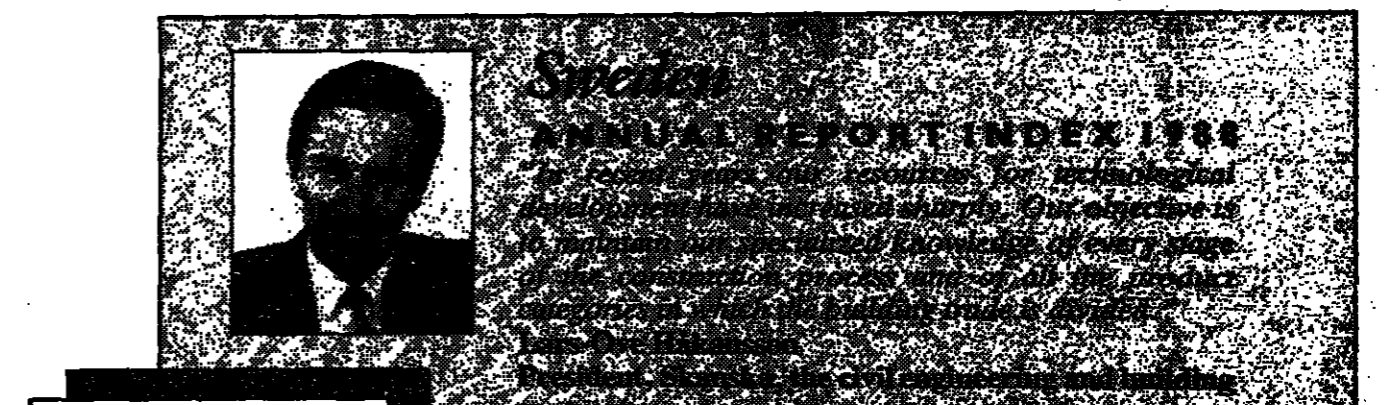
London

CORPORATE and economic news provided a much-needed boost for courses around Europe, and most gained in improved volume. PARIS surged forward after Finance Minister Mr Pierre Bérégovoy said he expected good news on interest rates in the next few days...

INTEREST in potential takeover stocks pushed London higher after news that Nestlé's bid for Rowntree would not go to the Monopolies Commission. However, a drop in Glaxo shares undermined confidence...

index, which edged up 0.26 to 271.23 in thin volume. Telefonica, which saw a 58 per cent rise in profits to FF18.7 billion, was up 0.62 percentage points at 171.12 per cent of nominal market value...

rose SF205 initially to SF7,500 in active trading, falling back a bit later to SF7,450. BRUSSELS saw only small price movements and closed slightly lower, with Petrofina again proving the day's market interest by just 2.5 per cent...



SKANSKA advertisement featuring a portrait, company logo, and text describing their 100th anniversary and financial performance. Includes contact information for annual reports.

FT - ACTUARIES WORLD INDICES

Table with columns: NATIONAL AND REGIONAL MARKETS, WEDNESDAY MAY 25 1988, TUESDAY MAY 24 1988, DOLLAR INDEX. Lists various countries and their stock indices.

Base values: Dec 31, 1986 = 100; Finland: Dec 31, 1987 = 115 (DSE 100); Hong Kong: Dec 31, 1987 = 100 (HSI); etc.

May 26 1988

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FINANCIAL TIMES SURVEY

Strong forces are sweeping through the volatile computer industry, stimulated by rapid advances in hardware and software technology.

Furthermore, the customer, rather than the vendor, is beginning to call the tune, as Alan Cane reports here.

A changing landscape

THE COMPUTER INDUSTRY is going through a period of transition more drastic than anything it has experienced since the advent of the minicomputer in the 1960s.

The process is being driven by a series of developments each one of which would be sufficient by itself to change significantly the direction of the data processing business.

Together, their effect will be to alter profoundly and irrevocably the computing landscape. Traditional landmarks are being swept away. The computer industry today is already markedly different from the industry of only five years ago.

By the mid-1990s, the transformation will be complete and few if any of today's major suppliers can be certain of surviving unscathed.

It will also involve changes in corporate management structures as the responsibilities of the data processing manager are progressively taken over by the information technology director, a board-level executive with total or partial responsibility for all computing activities within the company.

Today's data-processing managers will have either to grow into this new role or find themselves

relegated to less influential, more technically orientated positions. Among the most important technical developments will be the emergence of a new structure for corporate computing involving only two fundamental kinds of computer - mainframes giving access to company data and substantial calculating power and high powered workstations on executive desks.

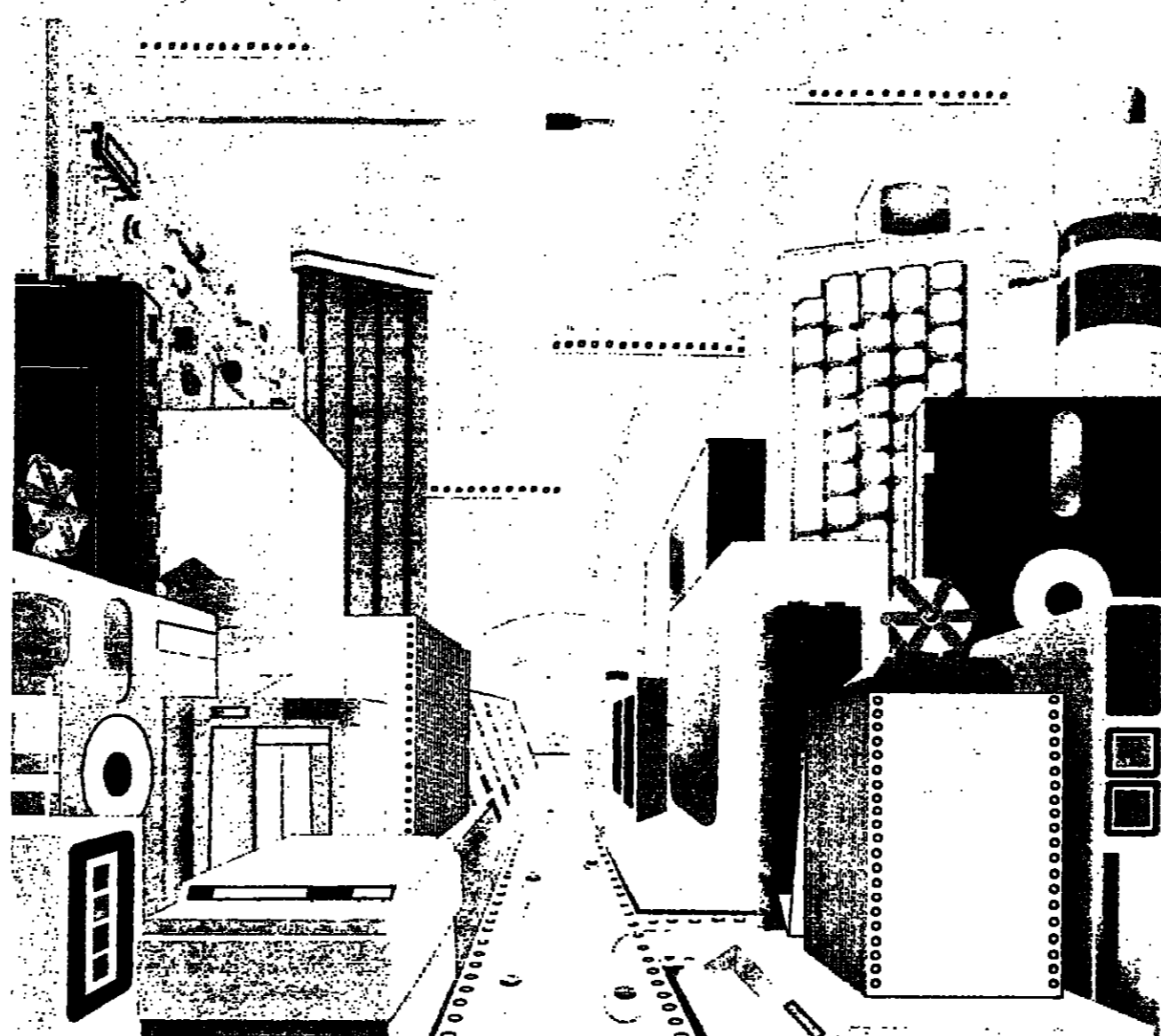
A high speed data communications network will link the two into a flexible, cost-effective system.

The minicomputer, conventionally the source of departmental computer power, will disappear, and with it those minicomputer companies which cannot adapt quickly enough to the new regime. The forces behind these changes include:

□ The emergence of new "architectures" (computer designs) which promise substantial improvements in computing performance at greatly reduced cost and which are being exploited most enthusiastically by comparatively new manufacturers.

□ A new understanding of the importance of software in developing successful computer systems.

□ An increased awareness of



Computers in business

the significance of international computing standards in securing progress.

□ The emergence of networking as the successor to stand-alone computer systems.

□ And, perhaps most important, the fact that the customer rather than the vendor is now beginning to call the tune.

Overlaid on this technological background is a fast-developing pattern of mergers, acquisitions, marketing and research and development agreements of which have brought a new level of complexity to the industry.

Among the sub-themes underlying these major industry changes are:

■ Rationalisation has continued space with mixed results. The merger in 1986 between Burroughs and Sperry, for example, resulting in Unisys seems to have been a success despite the fact the merged company is still marketing two incompatible systems ranges. Its chairman, Mr Michael Blumenthal put his finger on a key trend when he observed: "Our customers are demanding solutions, not boxes."

The joint venture between Honeywell of the US, Groupe Bull of France and NEC of Japan, however, has yet to demonstrate convincingly that it can hold onto existing customers and find new ones.

■ IBM improved its revenues and profitability after a tough 1986 as the industry as a whole shook off the market softness of the past few years. It seems unlikely that even the Stock Market crash last October can seriously dent the industry's recovery this year.

■ Among the industry's customers, however, there is nevertheless a heavy emphasis on costs as senior managers pay close attention to their data processing and information technology budgets, asking if their systems are both efficient, that is, giving value for money, and effectively meeting the company's commercial needs.

A principal force for change is without doubt the emergence of new and very powerful silicon chips which make possible computer designs offering high performance at prices which are ridiculously low by traditional standards. They will make it increasingly difficult for the traditional mainframe manufacturers to maintain their pricing structures.

Mr William Zachmann, a senior vice-president at International Data Corporation pointed out earlier this year: "Down-sizing - meeting an organisation's information processing requirements with relatively smaller, less expensive alternatives, is

ON OTHER PAGES
The personal computer business: has IBM established a new standard with PS/2 and OS/2 - or is there life in the MS/DOS personal computing area? See Page 2. For full survey contents list, see Page 3.

getting easier with each round of new product announcements." "Users who continue to try to meet their information processing needs with systems costing over £100,000 per million instructions per second (MIPS - a well-known if arbitrary measure of computer power) will rapidly find themselves faced with competitors in their own industry making use of systems priced as low as \$1,000 per MIPS".

The leading manufacturers of these new designs include Hewlett Packard, Sun Microsystems, Apollo Computer, Sequent, Mips and Pyramid. With the exception of Hewlett Packard, these companies were virtually unknown before 1980. The question is whether the better-established computer suppliers can adapt quickly enough to the new regime.

The power of these new machines depends on a range of advanced technologies including "parallel processing" - ways of carrying out more than one computation at once using an array of microprocessors - and "reduced instruction set computing (RISC)" chips, microprocessors of a novel design which trade off simplicity in silicon engineering against complexity in the operating software to give an easily manufactured chip which can run at a very high speed.

Perhaps the best-known RISC chip is the SPARC, developed by Sun Microsystems and already licensed to AT&T, Unisys, Xerox and the UK company, ICL, to use in future products. The SPARC chip runs at 10 MIPS, a speed which IBM's largest commercial mainframe could not reach a decade ago.

The fastest of the RISC chips is the Motorola 88000, rated at about 15MIPS. The semiconductor manufacturer is collaborating with a leading minicomputer manufacturer, Data General, to develop a chip that will run at 100 MIPS.

To date, these very powerful chips have been used chiefly to power engineering workstations, highly sophisticated systems used by scientists and engineers for advanced computation and computer-aided design.

With their high power and high quality graphics, however, they have the potential to be used as executive workstations and, indeed, financial services companies are already making use of them in dealing systems.

The distinction between high end personal computers and engineering workstations is beginning to blur. Earlier this year,

Digital Equipment (DEC) of the US, the world's largest minicomputer manufacturer, and Apple, which makes the Macintosh, an easy-to-use computer quickly gaining favour among corporate customers, announced plans to work together to make it simpler to link DEC super-minicomputers and Macintoshes together in networks.

The announcement gave added momentum to the drive towards "connectability" in today's computer systems - in other words, the ability simply to connect any piece of computer equipment to any other.

As Mr Blumenthal observed, customers are increasingly aware that computer suppliers often have a poor understanding of their business needs and are anxious to mix and match equipment from a number of suppliers to solve their business problems. This trend has become accentuated with the increasing emphasis on computing for competitive advantage as well as accounting and payroll.

It means a significant boost for potential international standards like Open Systems Interconnect (OSI), which is now very close to completion, and for industry standard operating systems such as Unix which promise customers the ability to shift their software applications easily from one machine to another.

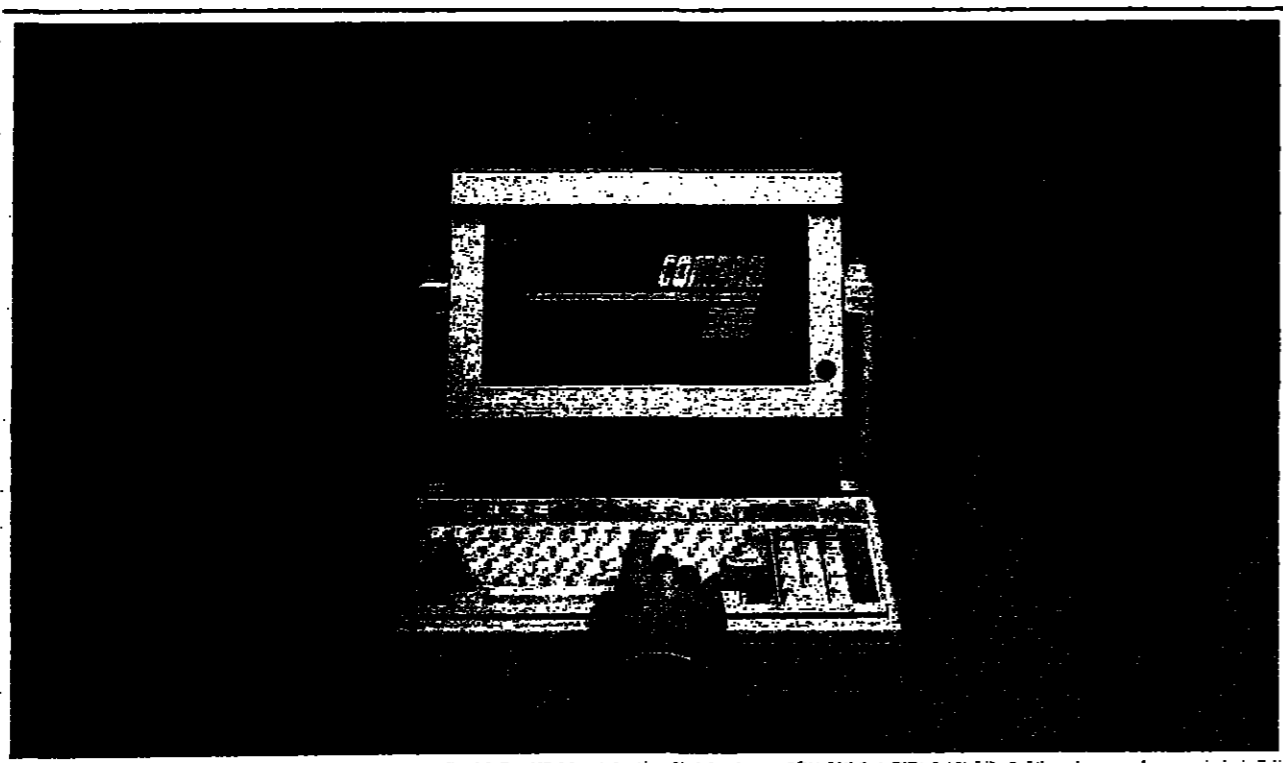
The outcome of the volatility in the industry today will be a retreat from proprietary designs and the adoption of a limited number of standards - in microprocessor architectures, operating systems, networking and software development.

It has taken a long time, but suppliers and customers alike are finally convinced that standardisation is the only way that both can make progress while keeping costs within bounds.

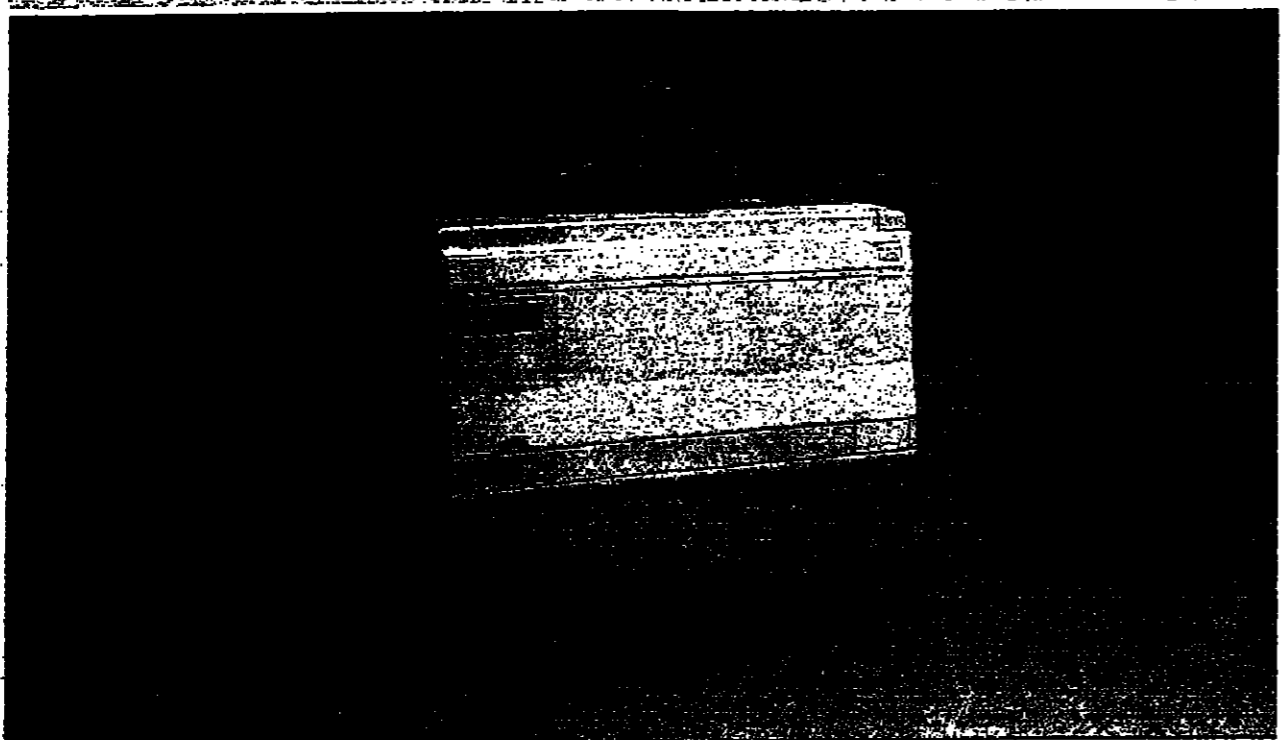
There will, of course, be a series of battles over whose standard takes top slot, characterised by, for example, the way many of the world's computer suppliers are championing OSI and Unix as a way of beating off IBM with its proprietary SNA interconnection system and OS/2 microcomputer operating system.

Apple has resorted to law to defend its graphical interface - the bit that makes the Macintosh easy to use - against what it claims is plagiarism by Microsoft and Hewlett Packard.

Whatever the outcome of these quarrels, it seems certain that a computing Rip van Winkle who fell asleep at his terminal in the 1980s will find his world changed beyond recognition on waking in the 1990s.



THE NEW COMPAQ PORTABLE 386.



Weighing in at a nifty 20 lbs, we present the new Compaq Portable 386. Pound for pound it's the most powerful computer ever built. While others are struggling to deliver their first 386 based p.c.s, Compaq (just a little proudly) bring you their leaner, fitter, faster second generation.

SPEEDY SPECS

Feast your eyes on these specs. (Sorry, we're about to nose dive into some jargon.)

The Portable 386 has a 20-MHz microprocessor, making it a full 25% faster than 16-MHz computers. (That's very, very fast.)

We're also talking 32-Bit architecture here. In other words this baby shunts information about 32 chunks at a time, making even the lightning responses of current 16-Bit machines look decidedly slow.

Up to 100-MB Fixed Disk Drive. This is heavyweight storage capacity. More than 50,000 pages of information built in, with an average access time of 25 milliseconds.

information without having to buy extra hardware. (You can throw wild parties with the money you save!)

Optional 20-MHz Coprocessor. This little gadget does mind-boggling complicated mathematical calculations in a jiffy. (Up to 25% faster than other 20-MHz 80386 based p.c.s to be precise.) Especially useful for adding up all the profits you've made using Compaqs.

BLACK LEATHER

Yes, as with previous Compaq portables, the new 386 comes with its very own optional black leather, or nylon carrying case. (Well what did you think we were going to say?)

STANDARDS OTHERS DON'T STICK TO

Unlike certain manufacturers we could mention, we don't see why the thousands of pounds you've invested in hard and software should be lost for the sake of change. We've made the Compaq Portable 386 compatible with all your industry standard products designed for 80286

LESS WAIT WITH LESS WEIGHT.

(no time at all.) This saves you having to lug around the equivalent of eighty-three 12MB diskettes. (For those with more modest storage needs there is also a 40MB model.)

There's more. We've equipped our new portable with 1MB of RAM and the capacity for 10MB that will help you run rings round the most complex of tasks.

MICROSOFT WINDOWS

Many Portable 386 users are doing true multi-tasking with applications software which is currently available. Using the Microsoft Windows/386 Presentation Manager they're designing their Birthday Cards at the same time as bringing out the Company Report.

MORE WAITLESS FUNCTIONS

Compaq Expanded Memory manager. What does it do? Basically it opens up phenomenal amounts of memory for you, (beyond the MS-DOS limitation of 640 kilobytes), up to 8MB. It means you can cope with huge quantities of

based systems. It simply runs them at breakneck speed.

EVEN MORE ASTONISHING

The most amazing thing about the new Portable 386 is that... Whoops! It's the old problem, we're out of space, and we haven't even told you about our new VGA graphics system (two new monitors and a VGA board). Fortunately all you have to do is make a bee line for your nearest Compaq Authorised Dealer and he'll take over from here.

For further information fill in this coupon and send it to Marketing Department FT3, Compaq Computer Ltd, FREEPOST, Richmond, Surrey TW9 1BR or ring 0800-444123, free of charge quoting reference FT3.

Name: _____
Company: _____
Address: _____
Telephone: _____



WE'LL NEVER CEASE TO AMAZE YOU

COMPUTERS IN BUSINESS 2

The impact of IBM's PS/2 on the personal computer business

Computer giant establishing a new standard



Sharper graphics in an architectural office, the IBM Personal System/2 colour display model 853A, with 16-inch high addressability display, gives sharper-definition graphics and the capability of choosing up to 256 colours out of a palette of more than 256,000.

IBM has done it again with its PS/2 range of personal computers. A year ago it was not at all clear that the computer giant would be able to move personal computer-users away from the standard it helped create with its IBM PC. Now it looks as if it is well on the way towards doing so.

All of the evidence from market research companies indicates that users are moving towards PS/2 machines. IBM has shipped two million PS/2s since they were launched in April, 1987.

In the UK, in March for example, Context, the UK market research company, found that the IBM PS/2 model 50 led the market when measured by units shipped, with 9.6 per cent. The market researchers, Wharton Associates, discovered the same trend.

The fact that users are moving towards PS/2 indicates that it is gaining acceptance. But the real evidence that it is becoming a standard comes from IBM's competitors.

Recently, no less than three of the major suppliers of personal computers which are compatible with the IBM PC standard, have announced that they intend to launch PS/2-compatible machines by the end of the year.

The fact that Tandy, Olivetti and Dell Computer would all announce their intentions a good



six months before they are likely to bring their machines to market shows that they believe that they must be seen to have PS/2-compatible machines in order to be

viewed as serious suppliers by their customers.

In a sense these compatible vendors are keeping a promise that they made last year when IBM launched the PS/2. At the time many compatible vendors said that they would supply PS/2 compatibles when user demand showed that they had become a standard.

The long lead times on their products shows that these suppliers hoped that they would not have to make good on their promises quite so soon. In order to build PS/2 compatibles, IBM's competitors must contend with Micro-Channel Architecture (MCA).

MCA is a method, which is unique to IBM, of organising data and instructions to flow through the personal computer at high speed. IBM claims it offers better performance than the architecture used in the original IBM PC range.

IBM has surrounded MCA with patents and warned all comers that it is prepared to litigate to protect its intellectual property. PS/2 itself is trademarked, warning the vendors of compatible off the name.

It has also said that it is prepared to license much of that technology. So, for the first time, IBM stands to gain financially

in PCs in the City of London: one of the PC-equipped work stations in Friends Provident's Fund Management Room at the company's chief London office, in which IBM's Backs and Friends Provident's Studio systems combine to present external and internal information. The particular station is in the area dealing with ethical investments - Friends Provident's Stewardship Trust.

such as the Presentation Manager graphical interface, are not due out until the end of the year. And then it will be a little while before application software is ready.

These uncertainties are leading many users to invest in a few PS/2s based on MCA, while continuing to buy machines based on the Intel 80286 and 80386 processors which will also be able to use OS/2.

Indeed, until 1992, there will still be two personal computers based on the IBM PC architecture for every PS/2 installed in Europe, according to Konatec, the UK market research organisation.

The investment in software and training tied up in the older IBM PC architecture and based on the MS-DOS operating system will ensure that it is retained by many users for applications to which it is well-suited and/or which it is well-proven. Users will slowly switch to MCA for those applications where it is appropriate. Those are likely to be tasks which require more intensive use of the processor such as large spreadsheets, for example.

That the PS/2 range has already made the impact that it has is a credit to the marketing clout of IBM. Machines in the range are more expensive than those based on the same processor in the older range. And this price premium will extend to PS/2 compatibles.

Dell, for example, reckons its PS/2 compatibles will be 30 per cent more expensive than its machines based on the same processors in its current range, because they will not benefit from the same economies of scale.

Add to this the fact that few users derive any more benefit from a PS/2 at the moment than they would from a machine based on the older architecture and one can only admire IBM's achievement.

Margaret Coffey

Evidence from market researchers shows that users are moving towards PS/2 machines

from the development of a compatible market around its products. Under its new licensing structure it will charge compatible vendors up to five per cent of sales on their PS/2 compatible products.

Most compatible vendors seem to be willing to pay rather than risk taking IBM on in court. Those who have announced that they are preparing PS/2 compatibles accompany the announcement with the declaration that they are also discussing licensing agreements with IBM.

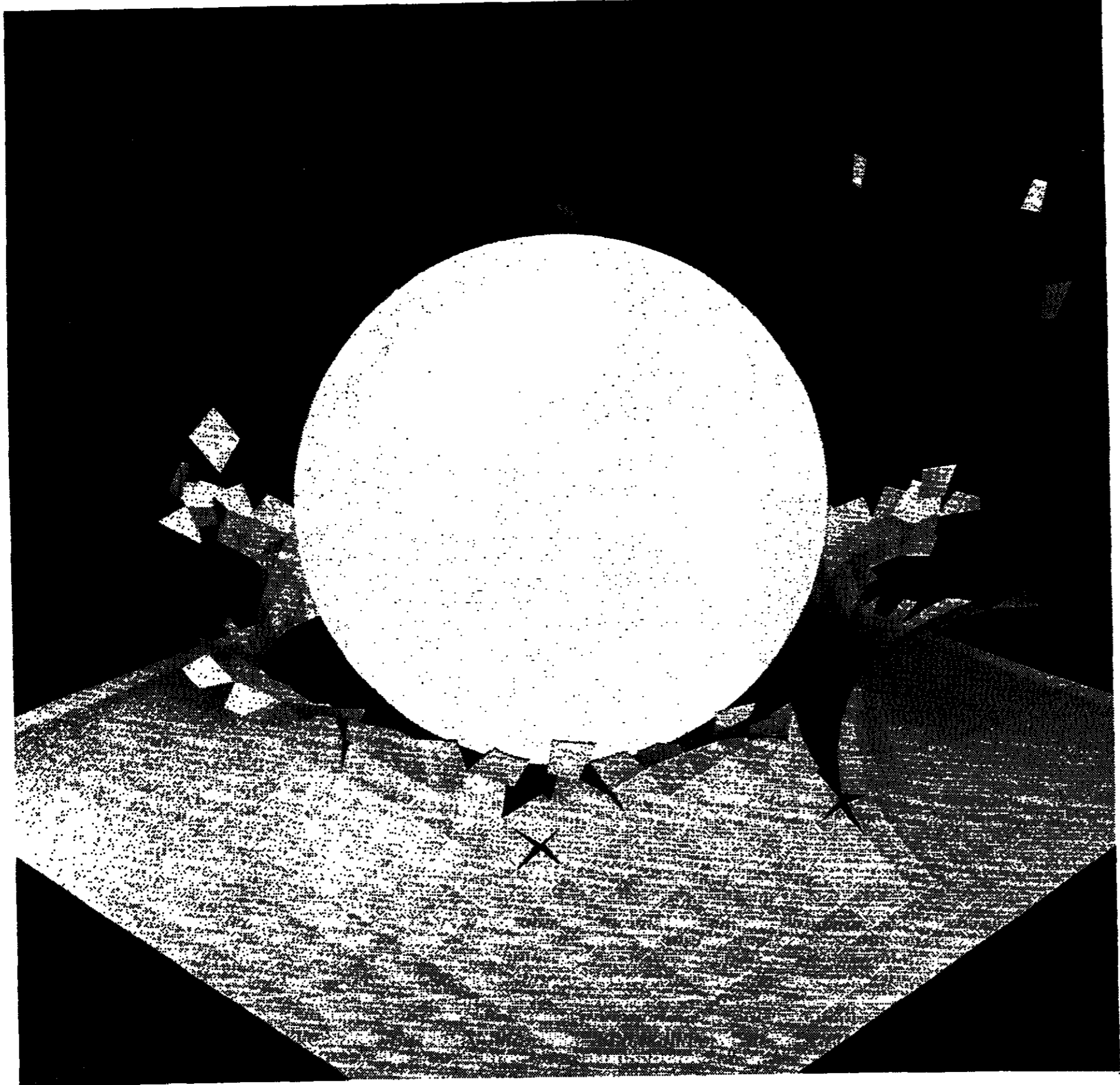
Being forced to pay to enter the PS/2 market is particularly galling for these manufacturers because they are convinced that the traditional PC architecture will remain a standard into the early 1990s.

Dell Computer may be planning to introduce MCA-compatible PS/2s, but Michael Dell, the founder of the company, says that they will not offer any better performance than the equivalent models in the current range which are based on the older architecture. This is because the software is not yet available to take advantage of MCA.

Compatible vendors are counting on the difficulties which are involved in switching to the PS/2 range to prolong the life of machines based on the older architecture.

There is every reason for them to do so. Users are put off by the prospect of using the smaller 3 1/2-inch disks of the PS/2 range. And so far, OS/2, the operating system which is designed to take advantage of the MCA architecture, is of little practical use to most end users.

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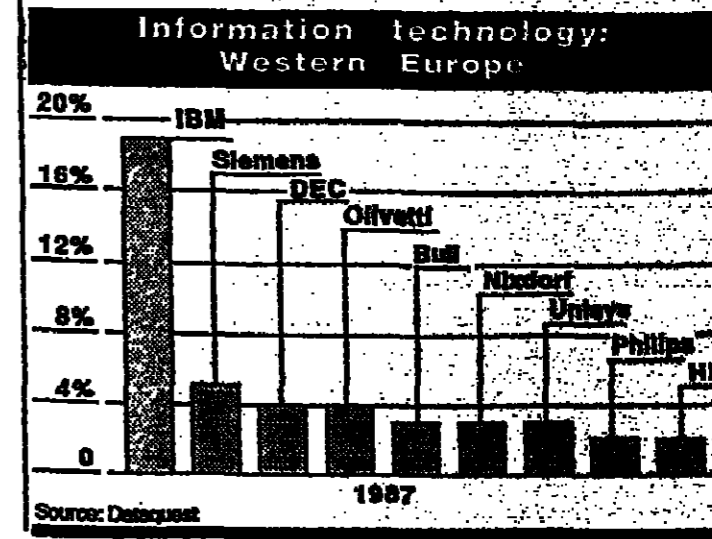
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PERSONAL COMPUTERS
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Vendor	% share
IBM	24
Amstrad	22
Compaq	10
Apple	8
Apricot	6
Tandon	6
Zenith	5
Olivetti	3
Toshiba	3
Tandy	2
Others	11

Source: Dataquest - another market researcher - puts IBM's share at 26%, and Apple's at 6% for the month of March. *Source: Context



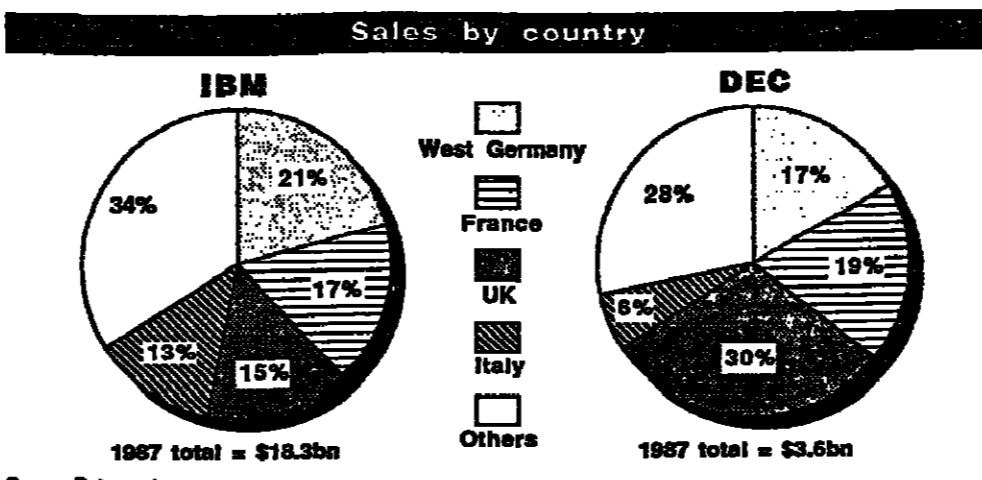
COMPUTERS IN BUSINESS 3

IBM and DEC

Fierce battle for the mid-range ground

THERE WILL be no more fiercely contested ground in the computer industry during the next two years than the business for mid-range systems. And there will be no hotter competition than between IBM and DEC.

computers are growing up through small networks of personal computers and may need larger systems for their more ambitious applications. At the same time larger departments are winning their independence from the centralised mainframe.



Source: Dataquest

ment easier because the target for development is stable and universal, while lowering DEC's costs. The success of this approach has prompted a major rethink within the IBM. Its largest customers have told it that a SAA is slowly unfolding. Essential elements of are not complete yet. Despite this the success of DEC's attack in the middle ground, among commercial departmental users, is beginning to slow down. Pansophic,

Much of the success recently has gone to DEC, despite IBM's efforts with new products and new initiatives.

unified structure from large to small is essential for enterprise-wide computing to develop in the early 1990s to concentrate its full efforts on one architecture, from the top to the bottom of its range. The outcome for the user is that pretty much the same applications code running in the same operating system can run on any DEC Vax computer from a powerful workstation to a cluster of large supercomputers hosting thousands of users.

Medium-sized systems' market

A flurry of newcomers

THE MARKET for medium-sized computer systems seems set to become the stage for a bruising battle, as the above article explains. But while IBM attempts to regain the advantage against Digital Equipment, its principal competitor in this area, a flurry of new companies will be trying to steal the show from both of them.

Best known among these new competitors is Sun Microsystems of the US. A manufacturer of scientific workstations - traditionally a high technology, high price business - it has nevertheless managed to frighten virtually every company in the mid-range market through a combination of low cost and dramatically high performance. A low end Sun workstation competes with the fastest personal computers; a high end machine competes with superminis.

So the battle for the mid-range market seems likely to comprise two separate yet linked engagements. First, IBM versus its traditional competitors Digital Equipment (DEC), Unisys, NCR and Hewlett Packard among others.

Second, an attack from this new wave of computer manufacturers offering distinctly different designs from those offered by traditional suppliers and therefore much improved price-performance.

Why is it important? Because it represents one of the principal ways that IBM is trying to tackle its major weakness - a proliferation of computer designs over the past 20 years which has left its customers often without a clear idea of the best way to plan for the future.

IBM plans to reduce that proliferation to three basic designs - System/70 architecture, covering its mainframes and its "departmental" 6870 computers; System 3/x architecture which will be embodied in "Silverlake" and its personal computer architecture.

IBM also plans to ensure compatibility throughout its computer range through the gradual adoption of a set of rules and protocols it calls Systems Applications Architecture (SAA), which should eventually ensure that IBM computers systems and programs running on those systems have a similar "look and feel".

While IBM has been wrestling with its compatibility problems, its chief competitor DEC has been making significant inroads into its customer base.

He concludes: "It is obvious, therefore, that an approach that works, is simpler to build and is easily upward-extensible, will provide an enticing alternative. DEC with its VAX range is therefore enjoying unprecedented success in its move into a traditional IBM stronghold, the large corporate site."

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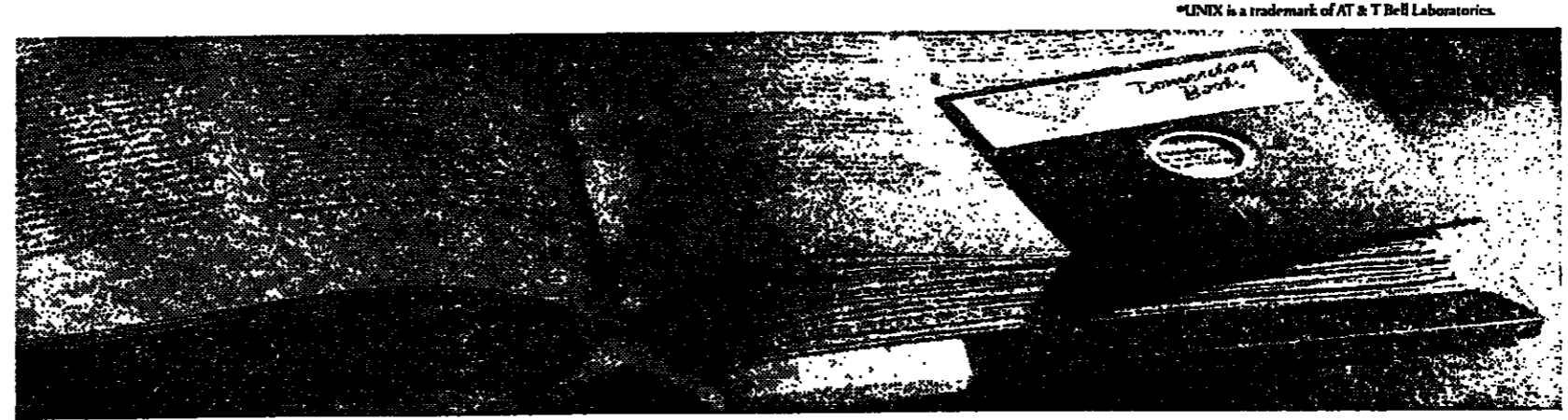
IBM has been badly rattled by DEC's new-found success. The amount of information about Silverlake which has been allowed to leak out pre-launch is an indication of its wish to reassure its customers that it had the problem in hand.

Alan Cane

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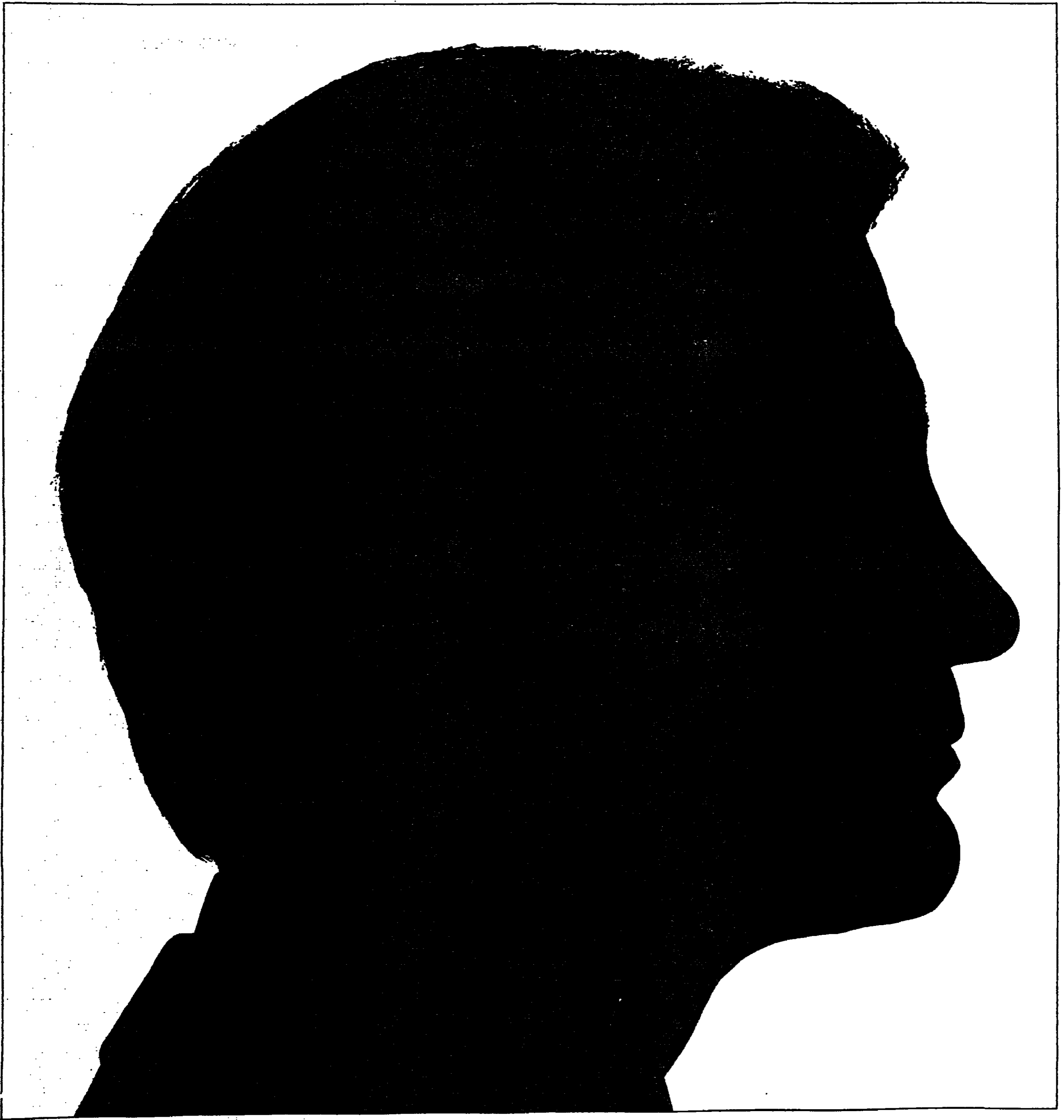
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دکتر عبدالرحمن

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"I think, therefore IBM."



IBM

COMPUTERS IN BUSINESS 11

Software services

Year of European consolidation

THE EUROPEAN software services industry is changing shape. In the early part of this year, major takeovers/merger deals, involving Europe's leading software services suppliers, hit the headlines.

In March, Systems Designers (SD) announced its intention to take over Scicon, the BP software subsidiary, in an £80m deal. Shortly afterwards, CAP Group announced that it was to merge with Sema Matra, one of France's largest software services companies, to form SEMACAP.

At the same time, CAP Gemini Sogefi (CGS), Europe's largest software services company, announced that it would take over Data Logic, the Swedish software company. CGS has also been increasing its shareholdings in strategic areas.

It quietly purchased about 28% of Semacap while the merger talks were proceeding and has involved itself in a share swap with the Dutch software company Voltmac. Voltmac, in turn, has a minor shareholding in SEMACAP and in SD-Scicon.

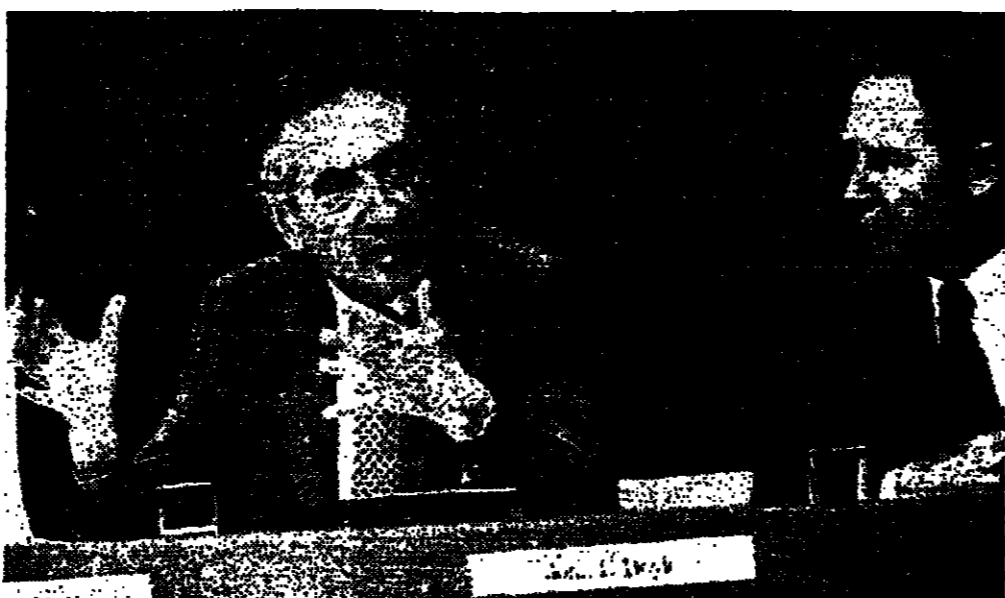
The SD-Scicon link-up created a £250m-a-year multinational company. Sema Matra's and CAP's combined revenues last year were also about £250m and the group also has substantial international interest.

Both groups are smaller than CGS, however. It is about twice the size of either. All three are smaller than US giants such as EDS and Computer Sciences Corporation with 1987 revenues of \$4,440 million and \$1,038 million respectively. Nevertheless, SD-Scicon and SEMACAP are both large enough to challenge CGS in the European market and, in some market sectors, challenge the US giants on their home ground.

One motivation for the consolidation is the prospect of a unified European market from 1992. Alan Benjamin, communications director at Cap group, says that the SEMACAP merger was partly motivated by the need to be a larger company in order to serve a larger market.

"There is a bigger investment required for research and development for the software needed in Europe. Many of our customers want support in more than one country - especially in areas like financial services and banking," says Mr Benjamin.

Philip Swinstead, chairman of SD-Scicon, acknowledges that the "1992 factor" has contributed to the industry's consolidation, although he sees it affecting the company's customers more directly than SD-Scicon itself. He sees the need to sustain



MAJOR ANNOUNCEMENT: Seven leading computer companies (Aptech, Groupe Bull, Digital Equipment, Hewlett-Packard, IBM, Nixdorf and Siemens) have announced an international foundation - the Open Software Foundation - to develop and provide a completely open software environment for customers to use software from many vendors. Making the announcement, above, are Jacques Stasz, left, chairman of Groupe Bull; and John L. Doyle of Hewlett-Packard, chairman of the new Open Software Foundation.

growth as the main motivator, however.

"Software companies have had to look outside their existing markets. All the merger activity at the moment involves bringing together companies which have worked in different markets - either from the nature of their business or for geographical reasons," says Mr Swinstead.

He points to SD's growth record between 1976 and 1983, when SD took over the UK software company, SEL.

"We grew at about 45% a year through that period. We had to find new markets," he says. Mr Swinstead believes that Europe needs at least three main 'players' in the world software services industry. In addition to the obvious strategic and economic need for European-based software companies of world status, Mr Swinstead also anticipates that there are market opportunities which European companies are well placed to exploit.

"The large US companies are data processing-oriented software services operations. They do not have the same experience of system integration that European

companies have," Mr Swinstead says.

EDS, for example, relies on General Motors, its parent company, for a substantial part of its income. It manages General Motors' data processing operations and builds specialised software for its worldwide operations. But it has little experience of the types of project that SD-Scicon, Semacap and CGS specialise in. This, says Mr Swinstead, gives the European companies a strong role to play in the world market.

The consolidation of the software services industry has not only affected the large, world-class software companies. It has spread to smaller companies operating in the UK.

JBA, a software company which specialises in software for IBM's mid-range System/3X computers, has taken over four companies and merged with a fifth in the last 18 months. Its staff headcount has gone from 100 to 350 in this period.

JBA's managing director Colin Wells agrees with Mr Swinstead's view that the need for growth is the main motivation - "we saw our market as very fragmented

and parochial. We wanted to break out of this so we could deal with large national companies.

Our strategy has been based on increasing our geographical coverage," Mr Wells explains.

International factors have also influenced JBA's strategy, too. The IBM System/3X market is dominated by US companies, many of which have increased their presence in Europe in the last year. Mr Wells sees JBA's increased size as a means to fight this invasion.

"The takeovers have given us a critical mass which allows us to develop products of our own, rather than acting merely as an agent for US-developed products," he adds.

There are numerous motivations behind the current consolidation of the software industry. But the consolidation is also the result of a growing maturity in a still-young industry. It is roughly thirty years since the first software companies were founded and, since then, software has become increasingly more important and the companies providing it rival many hardware suppliers in size and revenues.

Philip Manchester

Software packages

Reigning supreme

THE GROWTH in the use of software packages - off-the-shelf products which are sold to more than one company - has tracked very closely the development of the computer market, both in terms of technical sophistication and overall size.

Today, the software package reigns supreme particularly in the micro and minicomputer sectors; it is only with the emergence of advanced application development tools like Fourth Generation language that this dominance is being challenged in some areas.

Initially, when machines were few, the concept of a software package was simply not viable; the universe of potential customers was too small. Moreover, in the early days of computers, technical limitations of the hardware - such as very restricted internal memories and slow external storage - meant that the software had to be tightly optimised for a specific problem if it was to provide a workable solution.

Because of their need to address a wider range of uses, more general third party packages would inevitably have contained redundant and therefore wasteful elements for any particular company. The very high cost of hardware relative to software precluded this kind of approach.

Instead, it was far cheaper to employ in-house programmers to provide tailored solutions.

In the 1970s, the balance between hardware and software began to shift. Continuing technological progress meant that the real cost of hardware fell dramatically while developing programs became steadily more expensive. More powerful machines demanded more complex software; the use of computers grew faster than the availability of programmers; the result was an increasingly problematic software backlog.

Software packages were one way out. The idea is simple, since, in a given application, the data processing needs of companies often have much in common, a single product could be developed by an independent software house, designed to meet those common needs.

The companies gain by being able to buy pre-existing software written by specialist programmers, without the need for a lengthy development cycle. For the software house there is the prospect of a product with very

low marginal costs: once the package has been written, it can be sold to one, ten or a thousand companies with little modification or extra expense.

This approach does have its drawbacks. It presupposes that different companies will be able to adapt their working practices to the package; developing a program from scratch normally proceeds from the other direction.

For products which address very specific areas - say fleet management - it may well be that considerable violence will have to be done to standard company procedures in order to accommodate them within the restricted terms of the software. To alleviate this difficulty, the better packages allow some degree of customisation; as hardware continues to gain in power, the resulting redundancy in the coding is less of a problem. Eventually, though, packages cannot forestall every quirk of a user's work patterns.

There is also a need for training and support. Since both of these will be provided by an outside company, they will be less readily available than the same facilities provided by in-house departments. And there is a more serious vulnerability: buying in a packaged solution means that the user is ultimately dependent on the fortunes of the software house; if the latter goes into liquidation, it is likely to take future upgrades and support with it.

Despite these dangers, the packaged software market has flourished. It received a considerable fillip with the arrival of the minicomputer in the early 1960s. Unlike the mainframe which preceded it, the mini was essentially a single product could be developed by an independent software house, designed to meet those common needs.

The companies gain by being able to buy pre-existing software written by specialist programmers, without the need for a lengthy development cycle. For the software house there is the prospect of a product with very low marginal costs: once the package has been written, it can be sold to one, ten or a thousand companies with little modification or extra expense.

This approach does have its drawbacks. It presupposes that different companies will be able to adapt their working practices to the package; developing a program from scratch normally proceeds from the other direction. For products which address very specific areas - say fleet management - it may well be that considerable violence will have to be done to standard company procedures in order to accommodate them within the restricted terms of the software.

To alleviate this difficulty, the better packages allow some degree of customisation; as hardware continues to gain in power, the resulting redundancy in the coding is less of a problem. Eventually, though, packages cannot forestall every quirk of a user's work patterns.

packages even more attractive to software houses.

What is true of the minicomputer world, is doubly so in the field of microcomputers. The huge installed base of IBM PCs and compatibles has enabled US software companies to sell millions of copies of their programs. For example, Ashton-Tate has five million users of its dBase database program, and Lotus has sold over three million copies of the 1-2-3 spreadsheet package. Companies like Ashton-Tate, Lotus and Microsoft now have annual turnovers of several hundred million dollars a year.

The pitfall of packaged software encountered in the mainframe market are less of a problem here. By their very nature, personal computers are designed to meet the general needs of users; typically these will be for wordprocessing databases and spreadsheets.

These generic programs are truly universal; using them involves little or no compromise in the way individuals need to work. Today's microcomputers also have so much spare power - the latest desktop machines are little short of older minis or mainframes dedicated to one person rather than to a department or whole company - that micro packages can afford to be absurdly generous in the range of functions they offer.

The success of products like dBase and 1-2-3 has set up a benign circle: the vendors of the top-selling micro packages offer a stability which may be denied to the more vulnerably companies working in the smaller domain of mainframe sites; as a result, businesses tend to buy these products for that very security, which boosts sales still further.

In essence it is the IBM effect: now, nobody ever gets fired for buying 1-2-3. Like the IBM PC, the top applications have spawned their own associated culture which flourishes symbiotically alongside the main product: add-on programs, training courses, books, magazines and user groups abound.

Each product has become the centre of a richly varied multi-million dollar industry in its own right, and in the process moved way beyond the first packages' modest aims of offering a single solution to several companies.

Glyn Moody



Mr Philip Swinstead, chairman of SD-Scicon. The SD-Scicon link-up created a £250m-a-year multinational company.

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COMPUTERS IN BUSINESS 12

ICL of Britain gives top priority to a thrust across the English Channel

Formulating an aggressive policy for Europe

ICL, the flagship of the UK computer industry, has spent a great deal of time over the last year formulating a policy for Europe.

The new approach hinges on an organisational structure that is designed to give top priority to the thrust across the Channel.

On the other hand, the company has some new strengths which go back to its reorganisation during the early 1980s.

In the process, the group has reduced the percentage of activity in computer rentals from well over 60 per cent in 1982 to about



Peter Bonfield, chairman and managing director of ICL. An efficiency drive has resulted in a more flexible and tightly managed group.

half that figure today, with the aim of reducing vulnerability to this one sector of the market.

ICL has been driving forward with a strategy aimed at moving away from being a predominantly mainframe company

In the five years from 1982, these policies have increased manufacturing output per employee from about £20,000 a year to £79,000.

could be broken down under five main headings: On the traditional mainframe side, ICL is aiming to protect its established position by continuous product development based on its collaboration with Fujitsu

type markets, ICL has decided to aim for specific sectors, rather than trying to be all things to all men.

Office systems are a main area of growth

These policies all link in with the group's drive into Europe.

Conceived partly as an attack on the predominance of IBM standards, but equally as a response to the demands of users, standardisation means that computer companies will be better able to tackle the customer base of their competitors.

Today, the company's strategy

Office systems are a main area of growth

more industrial sectors and companies, the uses are inevitably becoming more specialised.

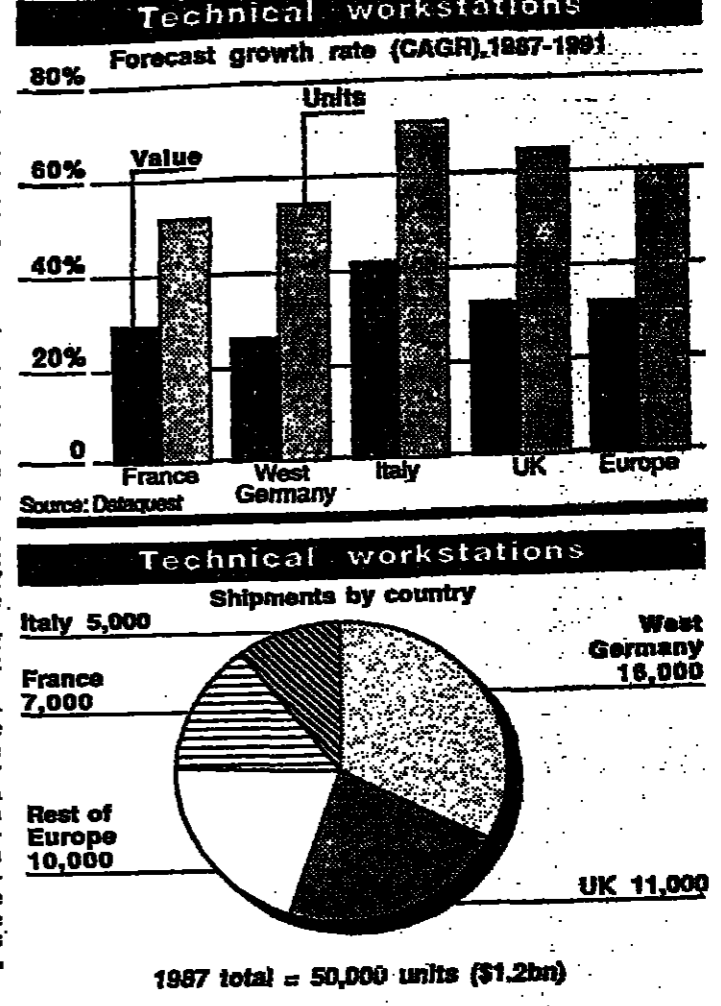
This advance ought to be helped by the open systems approach which means that clients need not fear that they are being locked into a specific technology.

It will be buttressed by an acquisition drive, particularly aimed at medium-sized Continental companies that need more resources to expand.

Nevertheless, the first acquisition is already in place, albeit fortuitously, with the takeover of Northern Telecom's office systems operations in Europe.

The company has also developed plenty of ideas for software products for the new Europe.

Technical workstations



Profile: Prime Computers UK

A company that sets its sights on growth

"WE HAVE to grow. We are a \$1.5bn company - and that is not big enough. If you want to be a survivor in the long-term, you have to be in the top ten in this business."

Currently, Prime's ranking among the major computer companies is somewhere in the mid-teens counting its combined revenues with Computervision Corporation with which it merged at the end of January, 1988.

Prior to the acquisition of Computervision, Prime was already a company with a turnover of around \$1bn and 13,500 employees worldwide.

The 15-year-old company in the first quarter of 1988 had revenue of some \$363.7 m with a net income of \$14.5m taking into account the Computervision figures from February 5, 1988.

The core of Prime's business is based on four major product lines: These are its 50 series general purpose minicomputer, the EXL super of Unix-based superminicomputers, its high performance MXCL series of minisupercomputers and a range of Unix-based workstations.

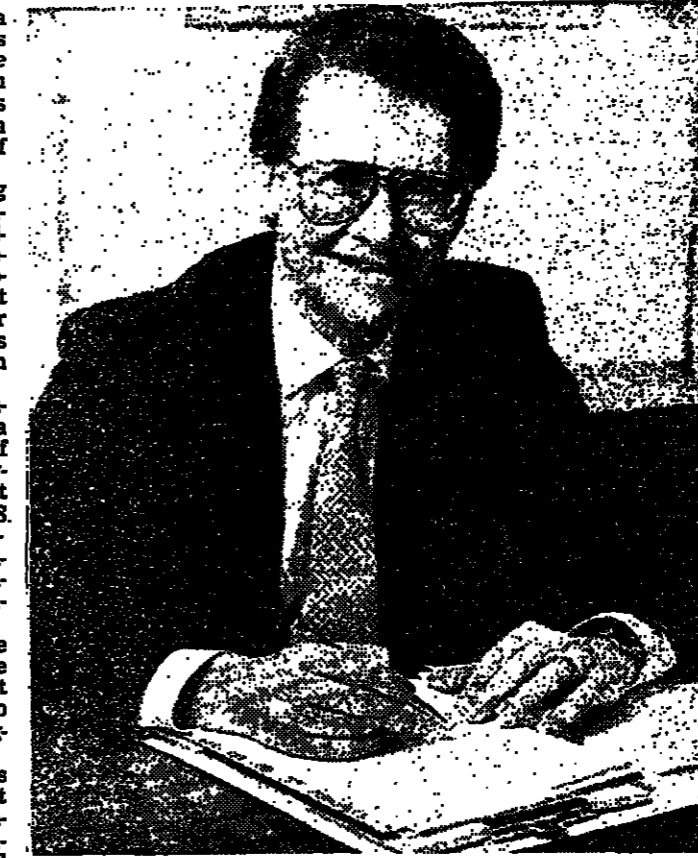
Computervision, which will now form one of two divisions within Prime taking in both computer-aided design and manufacturing business, turns Prime into the second largest supplier of CAD/CAM products worldwide.

However, Mr Padina said that it will take at least until the end of the year to integrate operations. Initially, the Computervision management reacted with hostility to Prime's advances.

For the short-term, at least, the Computervision name is likely to survive. Prime will, however, need to rationalise the two companies' manufacturing, sales and service operations, but are still considering the options.

Prime manufactures in Puerto Rico, Ireland and the US while Computervision has European and US manufacturing facilities.

"Prime's business strategy is made up of six major elements," says Mr Padina. "The first is to grow and protect our customer base."



Malcolm Padina, managing director of Prime Computer UK, aiming for the top ten

"We are only a small player. You can either invest a lot of money and say you are big, or look at niche areas," he says.

General manufacturing applications which Mr Padina says represents the largest market worldwide - "though it doesn't always grow the quickest" - is also a strategic market for Prime.

In this market, Computervision's acquisition considerably strengthens Prime's offerings. This is because Computervision has installations for example, in most of the car manufacturer's design offices.

Mr Padina feels that while the company is expanding its other sectors, it must still concentrate on its traditional markets including government and education.

As for many computer companies, education has long been a depressed market and Mr Padina admits "it is proving tough to continue to do business" in that sector which contracts strongly with the buoyant government-linked sales for computer systems.

There is a danger in too much dependency on third parties. In the financial services sector, Prime is trying to add value to its products but in a very tentative way.

Prime itself is a supporter of industry standards which allows greater interconnections between different machines and portability of software - not least because it opens up opportunities for Prime itself in such sectors as workstations.

For the computer industry as a whole, the work station business represents a large growth area especially as more open standards free the customer from one supplier.

Another arm of the company's business strategy is to add value to its products with turn key projects, consulting and project management. Already more than 80 per cent of its sales go directly to the customer, not through third parties.

Banking and broking organisations, following the stockmarket upheaval, have retreated somewhat, but Mr Padina believes that certain markets are worth investment - "insurance, mortgages, pensions and personal investments is experiencing a terrific explosion," adds Mr Padina.

Elaine Williams



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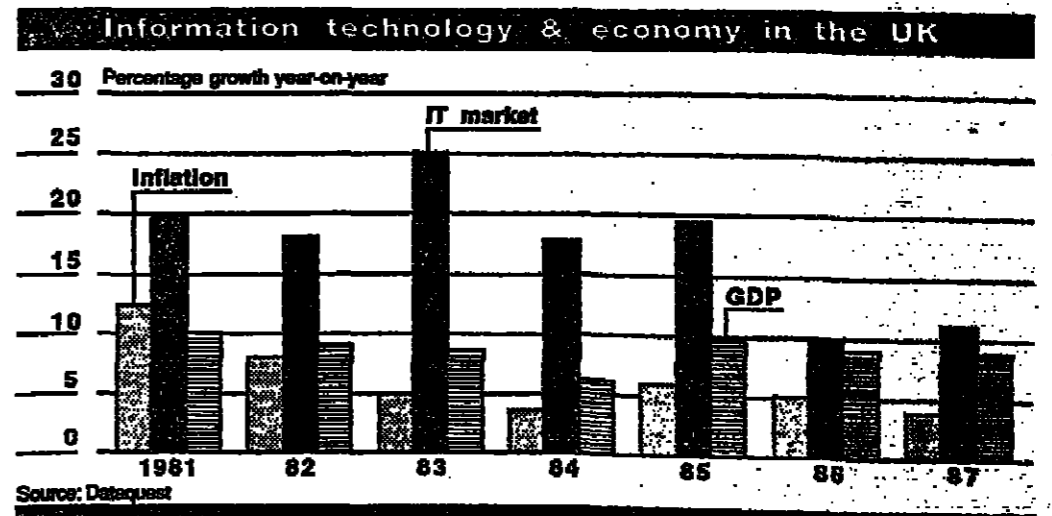
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COMPUTERS IN BUSINESS 13

Philip Manchester on Compact Disk/Read Only Memory developments

CD-ROM offers unthinkable storage capacity

THE MASS MARKET for audio compact disk has made it possible for a new storage medium for computers to expand. Japanese and European manufacturers have widely adopted a common technology for audio compact disk and the technology advances have spun-off to the computer industry.

In the form of Compact Disk/Read Only Memory (CD-ROM), this new medium promises storage capacities that are unthinkable with magnetic media. Like its audio counterpart, CD-ROM stores digital information in

tiny pits on the surface of the disk. These can be read with a laser beam and translated, either into an audio signal or into computer-usable form. Current capacities run to about 500m characters on a single disk. This is 10 times larger than the standard magnetic fixed disk used in most personal computers and much larger than the capacity of the average floppy disk. Advanced data compression techniques and improved CD-ROM technology promise even greater capacity.

The early part of this year has seen crucial developments in the spread of CD-ROM to personal computers. In March Apple announced a CD-ROM reader for connection to its computers. And last month, Tandy Corporation surprised the industry with its announcement of a CD-based technology which could both read and write to an optical disk. The Tandy announcement is viewed as premature by experts and is not expected to appear

commercially for at least another year. But the Apple announcement confirmed a hastening of the pace in the CD-ROM market. CD-ROM differs from the same problem as many of the other technology developments generated by the vibrant computer industry. It is a solution to a problem which has not been found. Optical storage has established a place in certain niche markets such as that for intensive image-storage applications.

But as a general storage device for personal computers, it has yet to find a mass market. Specialist applications include the system developed by Printrak for US police forces. It stores fingerprints for rapid comparison on a larger version of the familiar compact disk. Printrak's system uses a 14-inch optical disk to store 8m fingerprints. US police can trace a fingerprint very quickly with the system, which featured in a recent edition of the BBC2 science program, Horizon. But the fast access requires specialist hardware. Mr Martin Conibear, European manager of Lotus's Information Services division, says that the service has attracted "1,000 major users" since its launch just over a year ago.

"We supply the reader as part of the service because we did not want to have to wait until the hardware had taken off in its own right," says Mr Conibear. "We started from the perspective that you need to offer a service which covers everything because there is not the degree of standardisation we would like."

Lotus's service is aimed at rich business users. The annual subscription is £10,000. But it brings its users information which would be difficult to obtain, and use, in any other form. The One Source database contains data drawn from Standard & Poor's Compustat, Mead Data Services news database, ValueLine and Wright Investors' Service.

Lotus has also pushed the CD-ROM technology further than before. By using a proprietary data compression technique, it can store 1,600m characters on a standard disk - twice the normal capacity. But Lotus is not selling technology. Mr Conibear notes that it

agrees that the options are limited while the technology remains at such a high price. Mr Copello of Printrak sees the largest expansion in the use of optical media in archiving operations - "what optical disk provides is very low cost storage. This opens up enormous possibilities for document storage and retrieval - especially in building archives," he says. The mass market for such devices depends on a drop in the price of the machinery which writes disks or the emergence of low-cost read/write devices like the one Tandy hopes to launch next year.

Mr Conibear is sceptical: "Optical technology is getting better. But CD-ROM is the only technology which has been proven in the marketplace. It is easy to replicate, while the read/write technology is too slow and expensive for large-scale operations."



Production of Nimbus CDs: before being metallised, above left, and injection moulding, right



All the established computer industry names have latched on to CD-ROM technology, however. Microsoft, the top US personal computer software supplier, has sponsored conferences on CD-ROM developments for the past three years. It was also one of the founding members of the High Sierra group - an informal international grouping of CD-ROM equipment manufacturers and interested parties which seeks to introduce standards for CD-ROM formats. Very few products have emerged, however, and the CD-ROM market is still waiting to be exploited.

Lotus Development, the US developers of the 1-2-3 spreadsheet, leaped in early with a CD-ROM information subscription service called One Source. The service, which provides up-to-date financial information selected from many established databases, includes a reader which can be attached to a per-

sonal computer; the software to access the data and convert it to other formats; and regular updates of the six disks which comprise the database. Mr Martin Conibear, European manager of Lotus's Information Services division, says that the service has attracted "1,000 major users" since its launch just over a year ago. "We supply the reader as part of the service because we did not want to have to wait until the hardware had taken off in its own right," says Mr Conibear. "We started from the perspective that you need to offer a service which covers everything because there is not the degree of standardisation we would like."

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CD label printing

CD-ROM applications Finance catches up with US databases

THE FIRST available applications on Compact Disk/Read Only Memory (CD-ROM) discs have included legal, medical and library databases. It has been forecast by industry analysts that this medium will eventually store up to a third of all the information now stored on so-called hard discs.

CD-ROMs are ideally suited to a number of other uses, including instruction manuals, storage of computer programs, directories, store mailing lists, and teaching aids combining voice, diagrams and film extracts under computer control.

Until now financial applications of the CD-ROM have lagged behind other applications. However, in the past few months a number of financial databases, mostly US-based, have come on to the market. Some of the front-runners include Datext, Dun's Marketing Services, Disclosure, McGraw Hill, Online Computers Systems and Lotus. Julie Schwab, CD-ROM analyst at Infotach, says that a major application in finance is corporate intelligence. The CD-ROM is ideal to store information on industry sectors, competitors and business performance. This would be of use to companies planning major invest-

ments or considering takeovers, for example. Also selling well in the US are subscriptions for stock trading offered by Disclosure, Datext and Compustat. Recently announced in the UK is Lotus One Source. This product which can cost from £12,000 to £20,000 a year, is aimed at investment managers and those involved in planning corporate strategies.

Lotus can provide subscribers with a comprehensive selection of industry databases stored on CD-ROM, updated weekly or monthly by a courier service. Though subscription costs are relatively high, Lotus says that companies wishing to have the same volume of data from an on-line computer service would need to be connected for one week to gather the information stored on the CD-ROM.

Lotus also supplies the disc-reader to the customer. It offered more than 20 databases and the number is being increased monthly. One source runs on IBM PC XT or AT machines or their equivalents with the additional facility of being able to link into the Lotus 1-2-3 software via the company's Lotus Financial program. At the heart of One Source is Lotus' Microscan software which is an integrated investment research and portfolio analysis system for large databases. Elaine Williams



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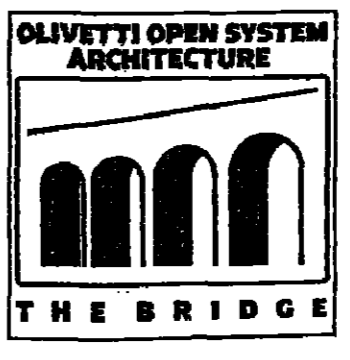
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COMPUTERS IN BUSINESS 15

Computer maintenance contracts: the market in Western European could exceed £5.5bn this year

Speed and quality are key requirements

A FEW short years ago, computer maintenance was considered one of the necessary evils of business life. It was a service that manufacturers had to provide but, in general, had very little enthusiasm for the job.

Today, such computer services are seen as profit-making activities. In Western Europe alone, the overall maintenance market in 1988 is expected to top £5.5bn. The bulk of this market is held by the manufacturers, with independent computer maintenance companies accounting for only 8 per cent of the European market, representing some £432m.

However, countries vary in their attitudes towards maintenance and, in the UK, independent companies are gaining a strong foothold in the market. Indeed, several independent computer maintenance companies compete aggressively against manufacturers for lucrative contracts.

According to Input, the independent companies share is growing at a rate of 16 per cent per year; in France, the figure is 20 per cent; Italy will expect a 22 per cent growth; and Germany is around 15 per cent.

Several factors have been at work to improve the prospects of players in the computer maintenance market. The growth of personal computers, especially in large organisations, has called for the need for a single company capable of repairing a wide range of small machines.

The growth of computer networks which link personal computers and several larger computer systems often on an international scale has put further emphasis on this.

As Mr John Kick of Hewlett-Packard explains: "Networking opens up the maintenance market to those prepared on a global scale."

This is the reason why Hewlett-Packard, over the last 18 months, has begun to tender for maintenance contracts which



Spare parts for computers: a section of the stock warehouse of Advanced Technology Maintenance (ATM), and independent "spare intensive" maintenance company at Greenford, Middlesex, where more than 30,000 separate items of computer equipment are stored in order to support the 350 product lines which ATM maintains.

"The strength of a third-party maintenance company can be its ability to take on the responsibility for the whole installation and to provide a superior standard of maintenance to that of some hardware suppliers," suggests Mr Robert Britains, head of ATM and chairman of the Computer Services Association's maintenance group.

include non-Hewlett Packard equipment.

Among its first customers is International Wood which has an international network system.

"Hewlett-Packard feels well placed to compete," says Mr Kick. "We have always been regarded as having high standards for our engineering staff."

In addition, Mr Kick comments that as a major provider of net-

worked systems, the trends in this area played to the company's strengths.

User-companies have also become more aware of the cost of maintaining their equipment. As the overall cost of hardware falls, maintenance takes a larger slice of the budget. Thus, customers tend to scrutinise more closely manufacturers' offering in that respect and frequently ask sev-

eral companies for quotations.

Though the value of the computer maintenance worldwide is difficult to assess, it is reckoned to amount to billions of pounds each year. For Hewlett-Packard, for example, maintenance contracts account for £1bn annually.

Trying to work out a definite figure for the annual cost to a company is also difficult - "quoting computer maintenance as a percentage of capital cost is very dangerous because of the falling costs of hardware," says Mr Kick.

However, traditionally companies have reckoned that maintenance represents about 10 per cent of the hardware cost each year, though the figure can vary widely from as little as 3 per cent to 15 per cent.

Maintaining computer systems can be a costly business. Often a company will have networks of different makes of machines and are looking for one organisation to run a suitable maintenance contract. This is where the independent companies have been able to enter the market with some success.

Initially, independent companies offered services that manufacturers could not, or did not want to provide such as maintaining machines no longer in production. Manufacturers did not see the value of prolonging the life of technically obsolete machines, now they do.

Now the independents represent a considerable force in the industry. Often they offer contracts at a more competitive price and provide a one stop service for multivendor systems.

Indeed, as businesses increase their mix of different manufacturers' equipment, the independents feel confident of rapid growth in their contract work. Because they are keen to win contracts, independent organisations offer substantial discounts on manufacturers' prices, typically up to 30 per cent.

As the demand for computer hardware has increased, so the end-user has become more knowledgeable and specific in his requirements, says Mr Robert Britains, managing director of advanced Technology Maintenance, a national independent computer maintenance company, and chairman of the Computer Services Association's maintenance group.

The need for third party companies to provide computer maintenance is certain to become more widespread, he believes. "Suppliers will, in the main, service only their own kit - and as users nowadays tend to operate with a mix of manufacturers' equipment, this is not cost-effective, particularly if you do not know whether the fault lies in the terminal, disk-drive, printer or software," he adds. "Calling the wrong engineer therefore can prove very costly."

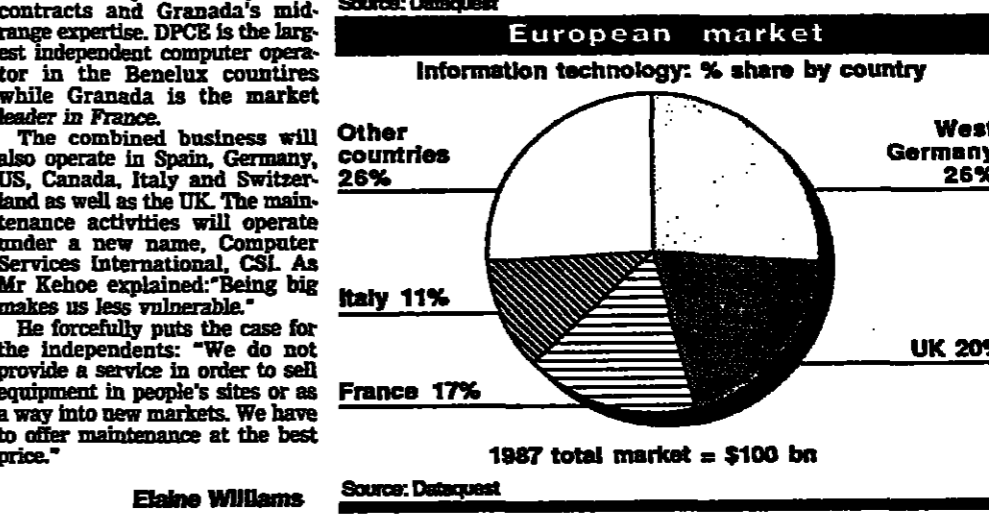
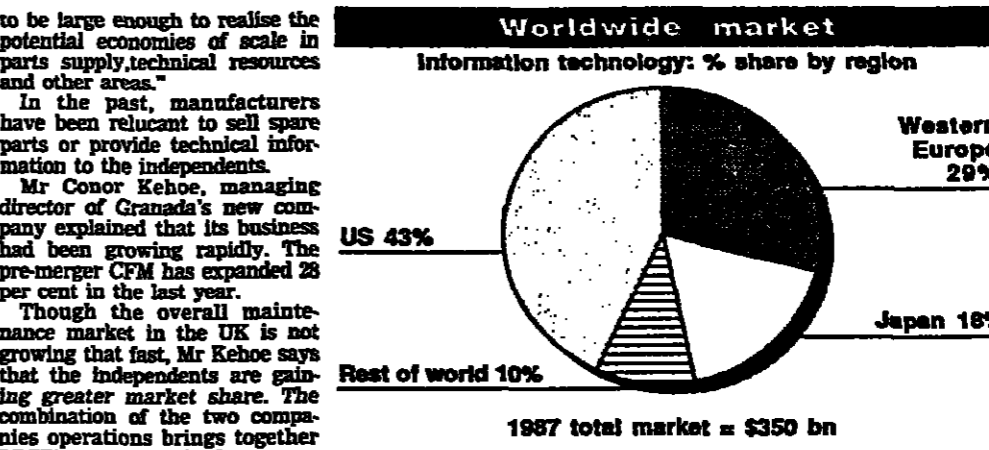
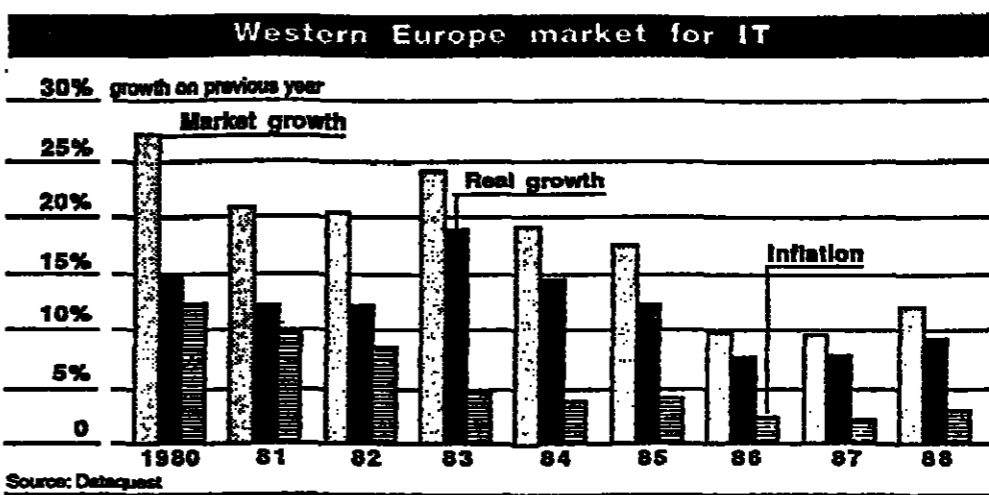
Among the larger independent maintenance organisations in the UK are Data Processing Custom Engineering, DPCE based in Wokingham, CFM part of the Granada group and Bell Technical Services.

These were the largest in a sectors with more than 100 small companies serving very specialist markets. However, earlier this month Granada successfully bid for DPCE. This company combined with its existing CFM subsidiary, the SMS International Group it acquired in 1986 and its recent acquisition of the Mainstay Group turns Granada into one of the largest maintenance groups in Europe.

DPCE set up in 1976 was one of the pioneering companies in its field and offered its services to a wide range of companies including those operating point of sale equipment, networked systems, and process control.

More recently it has entered the installation/de-installation market with a specialist team of engineers. Its turnover in 1987 was £40m with a pre-tax profit of \$5.4m.

Granada's rash of takeovers is fuelled by the group's belief that "in order to compete effectively for maintenance business with computer manufacturers, the independent companies increasingly have to service a wide range of types and sizes of equipment; they have to be able to satisfy the requirements of customers internationally and have



European Pavilion at Networking Event

THE EUROPEAN PAVILION at the Enterprise Networking Event (ENE '88) in Baltimore from June 5-9 will feature ways in which intelligent computer networks can improve business performance.

ENE '88's main aim is to show how business communities, from all sectors of industry, can capitalise on the latest networking technologies and OSI standards.

The European Pavilion at the Baltimore Convention Centre will feature an "Enterprise Job Shop" - a collaborative venture between the Department of Trade and Industry. This joint effort stimulates a manufacturing environment featuring some of the leading companies of the field of computer integrated manufacturing.

Participants in the project include: Ferranti Industrial Electronics, CIM/TEL, Reflex Automated Systems and Controls, Sydney Communications, Kewill Systems, CSD, British Telecom, Computer Services Consultants, PERA (Production Engineering Research Association), SPAG (Standards Promotion and Application Group), and the Expert Project's Communications Network for Manufacturing Applications (CNMA).

The systems and applications will operate as one integrated operation to manage and control every stage of production - from planning and estimating through to despatch.

In the area of decision support facilities, two of the participants, Sydney Communications and Kewill Systems will be demonstrating a new computer-integrated management system which they have developed.

In preparation for the joint venture, the centre of activities in recent months has been the PERA site at Melton Mowbray, where, under the management of PERA systems engineers and British Telecom integration specialists, the collaborating companies have been pre-staging the demonstration.

A similar venture is underway at British Aerospace's Sumblyburry site, near Preston, Lancashire, where CNMA have



COMPUTER APPLICATIONS in health care: the availability of current medical information is vital in the health care industry. Above, a Memorex Telex 386-based workstation, which is suitable for either high-end network or stand-alone applications, allows nursing and medical staff to gain rapid access to patients' records and other data.

Using suitable software packages, staff can amend and update information at the point where it is required, as well as share common system

resources such as printers and displays. These advantages are typical of this type of intelligent workstation which has found wide acceptance in other industries, particularly in airline and travel-related markets.

Memorex-Telex claims to be the world's largest independent supplier of IBM plug-compatible peripherals. With direct subsidiaries in 26 countries and distributors in many other markets, the \$2bn group supplies a broad range of storage systems, communica-

tions products and computer media.

Among the group's recent orders in the UK, the Co-operative Bank has placed a £400,000 order for computer terminals and control units; the Scottish Widows' Fund and Life Assurance Society has placed a \$400,000 order for 75 units from the 2115 Memorex laser printer range. The information systems group of Whitbread, the brewers, has placed a £250,000 order for 250 Memorex personal computer's for use on 45 sites throughout the UK.

integrated a CIM manufacturing system for producing Airbus components. Using this experience, they will be linking up their manufacturing system with their own Expert-CNMA display at Baltimore. □□□ A EUROPEAN symposium is being held at Birmingham from June 2-8 to complement the

Enterprise Networking Event in Baltimore.

The symposium at Penna Hall is organised by the European MAP Users Group to provide a European focus on MAP/TOP and other OSI developments. More details are available from Conference Associates on 01.222.9493.

□□□ THREE major conferences on network management, networking technology and the latest developments in ISDN and its commercial applications, will be held at Networks '88 at the Wembley Exhibition and Conference Centre from June 29-30.

The event, described as Europe's most comprehensive networking exhibition, is the ninth in the series and more than double the size of last year's event.

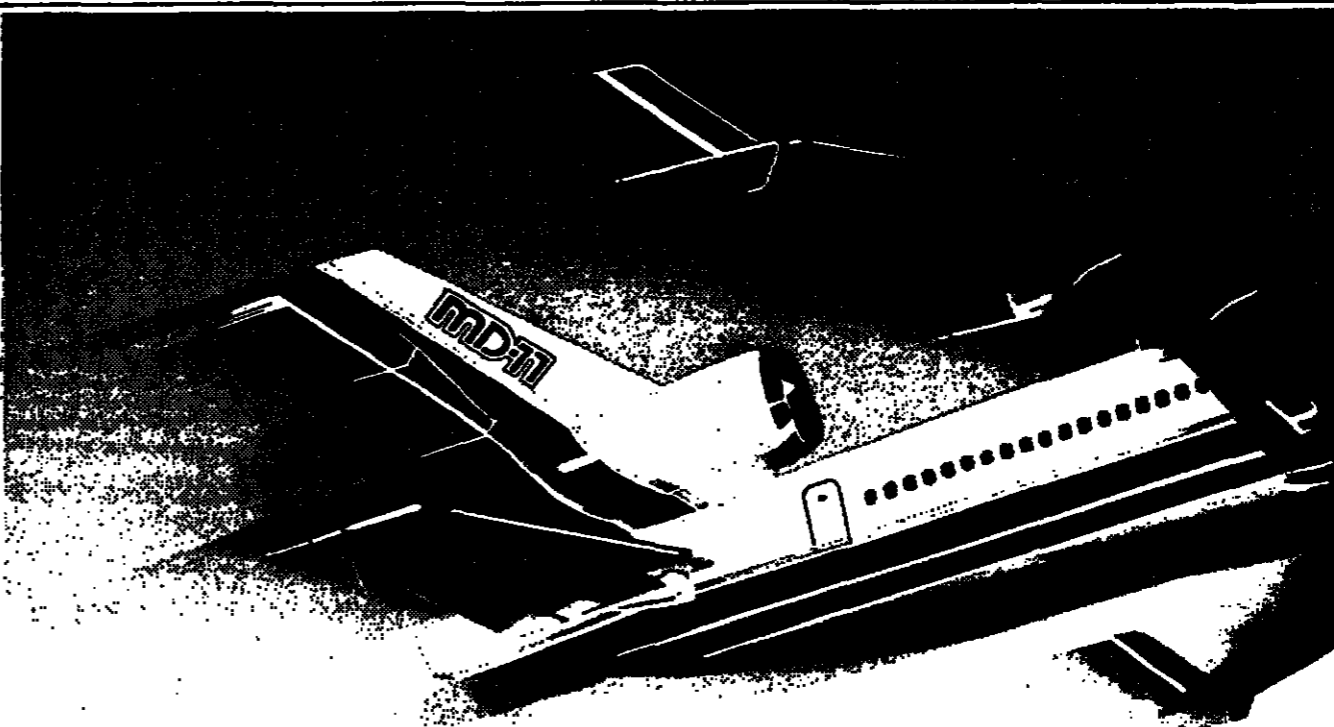
The conference on networking technology and architectures is aimed at technical and marketing specialists and users of networks. The sessions on networking management are for those directly or indirectly involved in the provision or use of a network; while the ISDN conference will

bring together users, equipment suppliers and carriers to provide news on the latest developments in integrated services digital networks.

More details on the event are available from Blenheim Online at Pinner, Middlesex on 01.888.4468.

□□□ THE successful uses of technology in business is the theme of a two-day seminar in London from June 27-28. Among the topics at the Crown Eagle seminar, presented by Hawksware, will be desk-top publishing, CD-ROM and other storage devices, P8/2 and OS/2, Ricc and non-Ricc chips - the future of computers; databases and how to maximise their use.

"Software quality assurance - the key issues" is the theme of another two-day seminar in London on June 29-30, designed for managers in business and manufacturing who need to understand the application of quality techniques to software. Details of both these seminars at the Kensington Palace Hotel, West London, are available on 01.897.8121.



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